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Experience with Federal Land Purchases as a Means of Land Use Adjustment

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by

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FORWARD

This study was originally written as a Doctoral Dissertation for the University of Wisconsin. Because it is believed to be the first study in the field which has the advantage of historical perspective, we have chosen to publish it with only minor changes instead of in the condensed version more usual for this pamphlet series. Non-professional readers may choose to omit Chapter II. They may do this without substantial loss in understanding of remaining chapters.

The author wishes to acknowledge the invaluable assistance of Dr. C. W. Loomer, University of Wisconsin, in planning this study and in the preparation of the manuscript.

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CHAPTER I

INTRODUCTION

Drouth and depression during the 1930's brought to the surface many economic problems, and among them many serious problems of agricultural land use. Unfavorable price relationships and unfavorable weather conditions both contributed to the creation of large areas of rural poverty and discontent. Some of these areas, so called "submarginal" areas for cultivation, became the object of a federal program of land acquisition and land use adjustment beginning in 1933.

In many of these areas the situation called for immediate and drastic action. Poverty, soil erosion, abandoned land, and wholesale tax foreclosures prompted the federal government to undertake purchase of large areas of land where the situation appeared most serious. Most of the area acquired was in the Great Plains, although numerous smaller purchase-projects dotted the remainder of the United States. This program did not result in the purchase of all "submarginal lands," as they were described at that time. The term "submarginal land" was applied in the 1930's to areas where farming had been unsuccessful and where it appeared that a less intensive use should be made of the land. Since the acres purchased were only a small proportion of the land called submarginal, many of the projects had their greatest utility in demonstrating to surrounding operators the best land use for that area.

Purchase of these lands continued until about 1941, and during this period much thought and planning was devoted to the program. Many of these projects, particularly the later ones, were carefully planned and administered by competent individuals. The programs were generally popular both locally and nationally at the time of purchase.

The land use adjustment projects as they evolved were essentially experiments in land economics. A problem of adjustment in land use existed in these critical areas. Since the major adjustment involved was from an intensive to an extensive use, it was full of complexities and not very apt to be completed without some personal loss and family displacement, regardless of the method used. In the most critical areas, public acquisition appeared to be the least painful and the most rapid means for bringing about the desired adjustment. Out of this situation then emerged the Land Utilization or L. U. projects as they are called.

Insofar as these projects involved continued private use of the land after public acquisition, they were something new in our land policy; and for that reason are here spoken of as an experiment in land economics. However, as an experiment they have never received an objective evaluation.

The L. U. projects were commenced with much publicity and with careful planning, and then forgotten; but their value to society as a social experiment can be realized only if the results are examined and tested. This seems a particularly good time to evaluate the projects as they have now experienced more than a decade of prosperous years with good weather since emerging from the drouth and depression.

The land was purchased in times of depression and drouth, when no one wanted the land very badly and few cared what use was made of it. Since that time good weather and favorable price relationships have brought many submarginal acres above the margin for profitable cultivation. In addition, cattle and sheep men have clamored for control of the Great Plains grazing areas. These and many other pressures have been brought to bear upon the projects since 1940, but with results which have not yet been recorded. Lessons can be learned even though an experiment is a failure--at least one learns not to try the same thing again.

Conditions in Colorado and the Southwest have recently appeared to warrant federal or state action to control or adjust the use of large drouth stricken areas. Our experience with similar lands in the 1930's should be useful for planning action in those areas concerning the use of submarginal lands.

Purposes and Procedure

The purpose of this study, in general, was an evaluation of the idea of public purchase of land as a means of land use adjustment and, in particular, an evaluation of the land use purchase program of the 1930's.

In order to accomplish this purpose a rather simple procedure was adopted. First, all available published material on the projects was collected and read. For the period 1936 to 1940 the writings on the subject were very numerous. But for the period after 1940 all that was available were incidental mention of the projects in works on the Great Plains, public land and group tenure, plus the annual reports of the Soil Conservation Service.

Several people intimately familiar with various phases of the development of the L. U. projects were interviewed. This was a fruitful source of ideas for developing the framework of this study. In addition, these interviews were a test of the author's impressions gained from the perusal of the written material collected.

The last phase of the study included spending two days at the Perkins-Corson Land Utilization Project near Lemmon, South Dakota. During these two days the project itself was toured, twelve operators using the government pasture were interviewed, and a few other citizens indirectly interested in the project were asked questions regarding various aspects of it.

The supervisor of the project spent many hours collecting materials needed from his files and records for this study. No information requested by the author was refused. The supervisor, having been with the project since its organization, was able to fill in, rich with detail, all the missing links in the history of the Perkins-Corson project. Material loaned to the author for use and copying included the annual reports of the project and the lease arrangement between the Grand River Cooperative Grazing District and the Soil Conservation Service.

With all this material assembled it was apparent to the author that he had not obtained conclusive answers to the following major questions embraced by the original purpose of this study. Was public acquisition of these L. U. lands necessary? Did the program achieve its objectives? Is it an idea worth retaining and using in other areas? It was obvious that answers to these questions would have to come from

a much more extensive study; and for that reason the purpose of the paper was shifted in the direction of facilitating a regional study with hopes that such a study will be made in the near future.

Preliminary to any regional study of this scope (15 projects in six states), it was felt a beginning could be made on a smaller scale toward understanding the issues arising from public purchases of land. This beginning did not need to include all fifteen projects. The process of narrowing down the confusion that is to be eliminated by an extensive study of a problem can begin on a much less extensive scale than the ultimate study. This report attempts to sharpen the issues of the problem in order that a regional project might quickly get at the quantitative measurements required and not waste time getting unnecessary information. If this report does nothing more than to indicate the right questions to ask, it will have greatly expedited the regional study.

In this preliminary study it was found that there are two major issues requiring examination. First, the program in its entirety--its purposes, achievements, and failures--should be appraised. This necessarily involves some consideration of alternative means of land use adjustment, for reasons developed later.

Second, the problem of future disposition of the L. U. lands needs consideration independent of the conclusions on the first issue. That is, no matter what the conclusions are regarding the success or wisdom of the L. U. program, the decision still has to be made regarding future disposition of the lands, and this decision must rest primarily on current circumstances and interests, rather than on any past successes or failures.

It was originally intended that these lands remain in public ownership, and until prices and rainfall improved there was no quarrel with that decision. However, in recent years various interests have questioned the wisdom of this policy. The author knows personally of wheat growers in Idaho and a veterans group in South Dakota who have attempted to open these lands for sale to private owners. In addition, the Bureau of Land Management was asking opinions, during 1954, from certain individuals regarding possible sale of these lands.[1] One of these opinions is included in Chapter V.

Approximately 620,000 acres of land and 660 ranchers are involved in the South Dakota projects alone.[2] Hence, the recent suggestions that these lands be sold have caused considerable uneasiness in the communities where these projects are located. At the same time the idea of public purchase is being mentioned in connection with the severe drouth areas of Colorado and the Southwest.[3] Thus, it seems there is enough current interest in these projects to warrant both this preliminary study and a more extensive regional study.

1/ The Sioux Falls, South Dakota, Daily Argus-Leader on March 9, 1955, reported that the Agricultural Department is now endeavoring to dispose of the L. U. lands. According to this article Senator Case of South Dakota has introduced legislation to "protect the established economy of western South Dakota built around the...Land Utilization projects." His bill would require that any disposition involving over 1,500 acres of these lands in block, be approved by the Senate and House committees on agriculture.

2/ "Summary of Operations Statements for Grazing Districts and Associations for the Calendar Year 1947," United States Department of Agriculture, Soil Conservation Service, Region V. The news report in 1/ (above) stated 585 ranchers lease 868,000 acres of these lands.

3/ There has been occasional mention of this in the press, and, in addition, the author has received a letter from the Wallace Farmer pertaining to this proposal.

With the material at hand the following organization of the thesis was decided upon. Since the study is concerned with solving land use problems, it seemed the author's concept of what constitutes a land use problem should come early in the paper, and thus was placed in Chapter II. Chapter III attempts to reconstruct the specific land use problems which gave rise to the land use purchase program. A brief discussion of the causes of these problems was also included. Chapter IV gives a very brief history of public land policy which led to the purchase program of the 1930's. Chapter V is the analysis of the material obtained from the Perkins-Corson Project. This chapter was intended to give insight into the organization, operation, and problems of the project.

Due to the radical nature of a land use purchase program, an important part of justifying the program must be a demonstration of the insufficiency of less radical alternatives. Chapter VI gives a brief discussion of the major alternatives which have either been used or suggested to solve problems similar to those where L. U. projects were established. Chapter VII includes the summary and conclusions, plus some of the problems of a land use purchase program which did not seem to fit elsewhere in the thesis.

CHAPTER II

LAND USE PROBLEMS

Agricultural land is a complex resource capable of many uses as well as abuses. Society has rightly developed an interest in checking abuses (overgrazing, erosion, loss of fertility, and so forth) of our agricultural land resources as is evidenced by the attention given to conservation in the popular press. In areas where land becomes marginal for intensive uses, there has developed also an interest in assuring the proper use of land as well as in checking abuse. The public clamor in the Great Plains for putting blowing cropland back into grass is evidence of this fact.

The price system in a competitive economy is supposed to perform the task of allocating resources into their proper use. Presumably this applies to our agricultural land resources. However, it should be remembered that not all resources are alike; and, just as there are special problems in applying economic theories to the allocation of labor resources, likewise the allocation of agricultural land among its possible uses cannot satisfactorily be explained entirely in terms of economic theory.

Iron, coal, oil, gas and other mineral resources, when extracted from the ground are durable, mobile, and in some cases storable, resources. They become simple personal property, easily available for

all the potential users to bid for possession and ownership of the resource in any quantity. Agricultural land obviously does not fit this picture.

Everyone is aware of the characteristics of land which make it a unique type of resource. It is not always available in the quantities and shapes desired. Especially after its first division into private ownership is it restricted in quantity and compactness. It is, for all practical purposes, immobile, and its ownership is not as simple as the ownership of personal property. Hence, the utilization of agricultural land cannot be explained entirely by laws of supply and demand or marginal analysis, because these theories make assumptions which are largely inappropriate to land as a resource. As Ely and Wehrwein have written,[1] the explanation of land utilization is found within three frameworks: the physical, the institutional and the economic.

Within the physical framework the problem is to obtain a more or less precise measurement of the (physical) efficiency of land. It involves measurement of the physical product under various uses with a given quantity of inputs. In addition to simple efficiency, it is possible to measure the capacity[2] of land--that is, the ability of land to continue a high rate of output over a wide range of inputs. Land with a high capacity to produce would be more flexible to manage, although for certain uses and at certain levels of output other land

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1/ Richard T. Ely and George S. Wehrwein, Land Economics, (New York, The Macmillan Company, 1940) p. v.

2/ Arthur C. Bunce, The Economics of Soil Conservation, (Ames, Iowa State College Press, 1945) pp. 24-28.

might be more efficient. Both efficiency and capacity depend, however, on size and compactness of the unit, quality of management, supplementary enterprises, and so forth, and are, therefore, difficult to measure with precision.

Adding costs and prices to the physical output data completes the economic information necessary to explain, in large degree, utilization of mobile, divisible resources. But equally important with physical data, costs and prices in the explanation of land utilization are such things as culture and training of the operators, landlord-tenant relationships, settlement pattern, customs, and all other institutions which inhere in man's relationship to society in his use of the land.

Thus, physical productivity, costs, and prices are not sufficient to explain the allocation of agricultural land among the various uses. The most profitable use may be an undesirable use from the point of view of society. For instance, long term records may show that wheat is more profitable than cattle grazing in certain Great Plains areas. But the greater uncertainty connected with wheat production may lead to community instability and severe individual hardships in the lean years. Recommended land use thus must depend partly upon our evaluation of the importance of stability and security to the individual and society.

A land use problem would be easy to define if it consisted merely of deviation from the theoretical model based on physical productivity, costs, and prices. But is the research worker in land economics warranted in accepting this type of theoretical construction as his model or goal in defining the problem? If this were the approach, then it is conceivable that some problems would be overlooked, while in other

cases problems would be declared where none existed. This would be the case whenever any strategic factor not in the model appears in the situation.[3] Models give insight into understanding a problematic situation and formulating hypotheses, but they do not necessarily define the problem nor specify the hypotheses.

A land use problem arises from some confusion appearing in man's relationship to man or to society in his use of land.[4] One or more of the following conditions may be symptoms of a land use problem:

1. Extreme rural poverty.
2. Eroded and unproductive farm land.
3. High rate of tax delinquency and farm abandonment.
4. Wasting and destroying of valuable resources.
5. High rate of social costs resulting either from isolation of operators or from a socially harmful use being made of resources.

Presence of these conditions, it must be cautioned, is not proof of a problem in which land is the strategic factor. If the condition arose because of man's relationship to his land, that is, because of mismanagement and poor farming practices, then the technician required is not a land economist but a farm management or soil conservation specialist. If a rural area is poverty stricken, its problem may be solved by better management practices, in which case the problem is

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3/ Kenneth H. Parsons, "The Logical Foundations of Economic Research," Journal of Farm Economics, XXXI, (1949), 656-686. See also by the same author, "The Problem-Solution of Forward Pricing," Land Economics, XXV, (1949), 423-427.

4/ V. Webster Johnson and Raleigh Barlowe, Land Problems and Policies, (New York, McGraw-Hill Book Company, Inc., 1954), Chapter 1.

one for farm management technicians. But if, in spite of the best possible use of labor and capital, the poverty remains, and land appears to be the strategic factor, then the problem is not one of man's relationship to the land, but of his relationship to society in the use of land. The solution might lie in the areas of tenure arrangements, size of the operating unit, population, type of land use, and government land policy. In each of these areas social institutions affecting the use of land will usually provide the key to understanding the causes of the maladjustment.

Identification of problems of land use, hence, involves finding an area where land users are unable, in spite of their best efforts, to maintain control of the land for the use or uses they are attempting to make of it. Or, though maintaining control, they are continually weakening their position in their use of the land.

Identification of the problem area and establishing the fact that it belongs in the field of land economics is only the first step. In the case of the land utilization projects this initial step was taken by the Resettlement Administration in cooperation with the agricultural experiment stations in each state as well as with state planning boards, state conservation commissioners, and other agencies concerned with land. Together they chose in each state the most critical areas where there appeared to be a serious problem in the use of land.

The problem was not the same in all areas of land purchase. As a matter of fact, selection of the area constituted only a recognition that a problem existed. The next step needed was an initial attempt at defining the problem and identifying some of the limiting factors

involved.[5] The solutions were obvious for many areas, such as those purchased and transferred immediately to Wild Life Refuges, Forestry Service, Indian Reservations, and so on.

The solution for other areas was not so simple. That is where the thinking and planning regarding the L. U. projects entered into the picture. What lands were to be purchased? How were the lands to be managed after purchase? In other words, what was the problem in each project area; and how, through public ownership, was the problem to be solved? Chapters IV and V will describe in detail the background, origin, and operation of these projects, with further reference to the problems involved and the solutions suggested. First, however, an objective evaluation requires a look at the causes, symptoms, and characteristics of the misuse of land found in areas where L. U. projects were established.

5/ Leonard A. Salter, Jr., A Critical Review of Research in Land Economics, (Minneapolis, University of Minnesota Press, 1948), p. 252.

CHAPTER III

CAUSES OF MALADJUSTED LAND USE

It must not be overlooked that much of our productive farm and ranch land west of the Missouri River has been in use for a relatively short time. Many decades were required in Eastern United States for patterns of land use to become stabilized (only to become unstabilized again as the more productive Midwest became the nation's bread-basket). Large areas of the Great Plains which became problem areas in the 1930's had been settled only 15 years previously. In a sense it could be said that the use of the Great Plains was still in the experimental stage.

Consideration of land use adjustment in this relatively new territory is very different from consideration of the same thing in an old, established agricultural region. In the latter the adjustment is normally to a more intensive use which is always less painful than the opposite adjustment to a more extensive use which has been taking place in much of the Western Plains.

It has been popular for sometime to blame most of the land use problems of the West on the unwise land policy of the federal government affecting the settlement of that area. There is no doubt these government policies were a factor in hindering the users and potential users from making what has since been decided is the best use of the

land. When Congress was confronted with the problem of disposing of public land in the Great Plains, it continued its tradition of relying upon prices and markets to get land into its most efficient use. This was due partly to ignorance of the West and a consequent over-simplification of the land use problem. There were things other than the laws of supply and demand influencing the homesteaders' search for land. His choice of land was not an absolutely free choice. Regardless of the land available he had to choose a limited number of acres in a rectangular shaped plot or plots in an area where little was known of the potentialities of the land.

Congress assumed that if a man wanted to farm, 160 acres was the most he could handle by himself with horses, and if a man wanted to raise cattle he could find open range that was too poor for farming. Congress failed to consider, however, the possible profitable combination of farming and ranching in a transition zone that was not clearly either farming or ranch land.

Homesteading ceased for all practical purposes even before 1934 when the lands were withdrawn from further entry, but there arose other more immediate causes of misuse of land. County tax policy made adjustment in the use of some land difficult because of the misclassification of land and the handling of tax delinquent land. Units plowed up for farming automatically became classified and assessed as farm land. This policy tended to prevent letting unsatisfactory farm land revert to range for grazing. The need for funds by county governments, and in some cases legal restrictions, prompted county officials to do all they could to keep land on the tax rolls. They avoided

taking possession of tax delinquent property, if at all possible, and tried to resell immediately after acquiring the tax deed. Some counties took possession only after a buyer had been found; others had leasing arrangements for land which could not readily be resold.[1]

The experience in Yellowstone County, Montana, is typical.[2] When that county was settled there was a generally optimistic view of the productivity of the land, which was reflected in high land values and which became the basis for organization of school districts and county government. As the optimism began to wane and homesteads were deserted, tax assessments continued high. In 1924, after the bulk of early abandonment had occurred, assessed values in the area still averaged $5,600 a section, while the annual real estate taxes averaged about $65. The reason for this inflexibility was that county administrative expenditures for school districts and roads and for building contracts signed during the period of optimism remained high. Although the county soon made reductions in assessments, it had to increase the millage rates.

Taxes were finally lowered to an average of $23.08 per section in 1938. This may seem low to the casual observer, but it was still above the average lease value of the land. In fact, this tax rate was estimated to be three times as high as the actual productivity of the land

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1/ R. J. Penn and C. W. Loomer, "County Land Management in Northwestern South Dakota," Bulletin No. 326, (Agricultural Experiment Station, South Dakota State College of Agriculture and Mechanic Arts, Brookings, September, 1938) p. 17.

2/ James H. Marshall and Stanley W. Voelker, "Land Use Adjustment in the Buffalo Creek Grazing District, Yellowstone County, Montana," (Bureau of Agricultural Economics, U. S. D. A., Washington, D. C. 1940).

then warranted. The county was finally forced to make the very beneficial move of reclassifying all farm land as grazing land; and this, through lower assessments, facilitated the readjustment of land use.

Tax legislation by the State of Montana, which was similar to that passed by other Great Plains States, tended to weaken the county tax collection procedure by relaxing the penalties for nonpayment.[3] This approach ignored the fundamental cause of the problem: the excessive cost of local government in relation to the productivity of the taxable resources, and the extreme uncertainty of both private and public income from land use involving high risks. The concessions involved were ineffectual in protecting homeowners, and seriously hampered county tax collections.

The county commissioners, according to the basic law of Montana, were required to offer tax-deed lands for sale at public auction within six months after taking tax deed.[4] For a time their policy was to put a low appraisal value on the land in order to get as much of the land as possible back on the tax roles, but in spite of this policy, very little land was sold. With the realization that much of this land was going to remain in public ownership for several years, the county officials began taking tax deeds just as rapidly as permissible under the various regulations. It then leased the land, not only to secure some income from it, but also to allow the conservation and building up of forage resources through controlled use.

3/ Ibid., p. 24.

4/ Ibid., p. 24.

As a rule most counties with a serious problem of tax delinquency were reluctant to administer the tax-reverted lands, but rather made every attempt to keep the lands in private ownership and thus on the tax rolls. All state tax legislation was designed to foster private ownership and gave no assistance to the county in solving its problem. In addition to having no state support, county officials lacked the finances, manpower and know-how for this big, new job which was thrust upon them. Some counties which acquired large areas of land under tax deed action found either that they could not resell the land, or, if resold, that it again became tax delinquent.[5] Such experiences frequently jolted the county into seeking new ways of handling county land, especially by leasing to some kind of leasing association.

There was in the West considerable state land which became a problem during this period. Some states, for the sale of their land, set a minimum price which was considerably above the actual value of the land. The land was not sold, and there was little provision for managing it. Cattle raisers were not willing to pay much for leasing it because frequently they could graze it without a lease due to controlling adjacent land and water. Leasing associations in these cases offered considerable aid to the management and control of state-owned lands.

The idea of competitive bidding for leases of government land, thought to be a means of obtaining maximum revenue from the public land which could not be sold, was never successful. Most of the land left in the public domain had no strategic value such as water

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5/ Penn and Loomer, op. cit., p. 18

development possibilities or key location. In general, privately owned land controlled the use of public land because of the lack of water and accessibility. These factors would have prevented effective competitive bidding and left the government no control over the use of land. The speculative wheat grower could possibly outbid the rancher for grassland, but at the end of his lease he might return to the government an eroded stubble which for a period of years would be a greater cost to the government than it could add in revenue.

Not all the blame for maladjusted land use in the Great Plains can be placed on government policy or programs. There are other factors in our dynamic society which have acted independently of government programs in causing a need for land use adjustment. Technological advance has called forth the most universal adjustment in agricultural organization of any factor affecting land use; although it has been more important in farming than in grazing areas.

Technological advancement in itself is not a direct cause of misuse of land but is usually a means of making more efficient use of resources. Its introduction, however, creates new conditions to which the farmer must adapt himself. Inefficient land use, then, may arise from the reluctance, or inability, of the farmer to adjust his operations to the new conditions. Technological advance may cut costs, but also increase production and lower both prices and gross returns. Thus, the operator who fails either to adopt the new technique, to adjust his land use, or to change the scale of his operations, will be deprived of a reasonable net income. Changing demand, tastes, customs, and institutions likewise have an indirect effect on land use in that

they frequently make obsolete firmly established production practices and scales of farm or ranch operation. Tenure status and our "family farm" policy, too, have had significant effects on land use.

Another cause, somewhat involved in all of these things is ignorance--ignorance of the capabilities of the land, of the weather cycle, of ways to manage public land, of the laws required. The operators, government officials, and the general public all contributed to the importance of this factor.

The Homestead laws, our survey system, county and state tax policies, rigidity of the agricultural enterprises, tenure practices, changing demand, tastes, customs and institutions, and ignorance of the capabilities of new land--all of these, then, contributed in some way to the land use problems of the Great Plains. There are some other factors which are not strictly causes but are difficulties which stand in the way of orderly adjustment of land use. They can be illustrated by reference to conditions in Perkins and Corson counties, South Dakota, before the land utilization project was established.

What were the impediments to orderly adjustment of land use in this area? Most of the operators likely realized that farming was unsuccessful, and they would have liked to change to a livestock grazing enterprise. Only a very few, however, were successful in making this conversion. A lack of credit, too many operators, and the confused ownership pattern were the chief difficulties.

Credit was unavailable to most operators because they did not have effective control of an adequate ranching unit. Several years of crop failures do not put a farmer in a position to acquire more land and

livestock. Even those who could qualify for credit found it extremely difficult to locate tracts of land for sale at reasonable prices. Where land had been broken for farming its owners were reluctant to sell at less than cropland prices. The livestock operator might have acquired scattered tracts of pasture, but he was extremely fortunate if he was able to assemble a compact ranching unit. Some expanded their units by leases, but in most cases they were short-term and uncertain. Under these circumstances the operator would be in no position to make long-term improvements in the line of range improvements and water development; but, instead, he was encouraged to over-graze his leased land.

With a surplus of operators some were bound to be unsuccessful in converting from farming to livestock grazing. Many reported to the author that they had only enough pasture for ten to fifteen head of cattle before the government purchase.

Thus, although farming had clearly failed, only a few operators were able to acquire sufficient holdings for a stock-raising enterprise. Lack of capital was also a deterrent to moving from the area, and this lessened the possibility of early improvement in conditions. It was this type of situation, then, into which the federal government stepped with its land use purchase program in the 1930's.

The land use problem in the United States, hence, is neither a problem which those in government office can blame entirely upon those who preceded them in office, nor is it one which can be licked once and for all. It is essentially a matter of <u>continually</u> adjusting our use of resources in light of changing conditions. Thus, correction of land

abuse consists of enabling or coercing land users to adjust to the prevailing conditions surrounding the use of resources. Sometimes the problem may be solved simply by education or the creation of incentives, but in other cases it may require stricter measures, such as zoning or land purchase.

CHAPTER IV

LAND USE ADJUSTMENT POLICIES

The confused land use situation described in the last chapter, which confronted the land economics section of the Department of Agriculture during the 1930's, was not limited to the specific areas described. This situation was duplicated in many other areas of the Great Plains; and, in many respects, the problems in such places as the Ozarks, the cut-over areas of the Lake States, and the hilly regions of southern Illinois and Indiana appeared to possess similar symptoms and characteristics. In adjusting the land use for these areas, public purchase was merely one of several means used, and only one of a greater variety which could have been used. It is the purpose of this chapter to suggest the choices of means available and to trace in some detail the historical development of land policies involving public purchase and reservation of land as a means of land use adjustment.

Means of Accomplishing Land Use Adjustment

Before discussing means, perhaps mention should be made of the possibility of doing nothing--that is, allowing free economic forces to bring about the adjustment. It is probably true that operators of land adjacent to some of the L. U. projects have made the same adjustment of land use that was made within the project. Hence, the questions

will inevitably arise: Was land purchase necessary? Would not the adjustments have occurred anyway?

The difficulty with doing nothing is that the results are usually less predictable than from doing something. When confronted with the serious situation described in the last chapter, not many would have been willing to take a chance on doing nothing. Although one might admit the efficacy of free economic forces, he might not always be willing to wait for them to act. No one knew, in the 1930's, the nature of the eventful decade to follow, nor of the alterative effect it would have on the economy. The time was not one for waiting, and it appeared that much human hardship and suffering could be averted by immediate government action. Nevertheless, the final analysis of the L. U. projects should include a comparison of areas where L. U. projects were established and similar areas where no direct means of land use adjustment were employed.

The comparison in this case should include not only the end result, but also the routes travelled to achieve that result. In other words, in the area where no adjustment program was employed, a study of the land ownership records would be required to reveal the elements which brought about the changes. The elements may have been foreclosure, outside capital, tax delinquency, or county land policy. It would be of interest to know who the current operators are, where they are from, where they acquired their capital, and the stability of their operations; and also to know what happened to the operators who were eliminated. In addition, and perhaps even more important, would be an estimate of what the future might hold under various climatic conditions and degrees of prosperity for each area being compared.

In the absence of government programs there is one important course open to ranchers through group action--the organization of a cooperative grazing association. This device was used in conjunction with most of the L. U. projects in the Great Plains and was used in some places in Montana prior to government purchase. This form of private group action will be given detailed consideration in a later chapter.

The three primary sources of government regulative power employed in land use programs are the police power, the right to tax, and the right to own land. Two land use adjustment measures which depend on the police power of the states are the rural zoning ordinances used primarily in the cut-over areas of the Lake States, and the soil conservation districts' land use ordinances. The latter have had only slight use. Each will be considered in more detail in Chapter VI.

Government regulation is possible under the right to tax. Taxation has been a very important factor in land use, but generally its effect is a by-product of taxation for revenue purposes. Deliberate attempts to regulate land use through taxation have not been common in this country. One example is the Forest Crop Law of Wisconsin. A brief discussion of the possibility of a county and state tax program for land use adjustment is included in Chapter VI, plus a consideration of the management of county lands after they are acquired.

Voluntary and indirect federal programs affecting land use have been many and their effect great, though largely immeasurable. The many programs of the Agricultural Adjustment Acts, the Soil Conservation

Service, the Agricultural Conservation Program, and the Farm Security Administration are examples. They are given no detailed treatment here, not because of a lack of awareness of their importance in this field, but because they were quite general in their purpose, and were not aimed specifically at the land use adjustment problems under consideration here.

The power to purchase and own land is the final area of government authority to be mentioned. Since this is the subject which is the primary concern of this study, it will receive the greatest amount of attention. Government ownership may come about in several ways, such as purchase, reservations from the public domain (an assurance of continued public ownership), and involuntarily through tax delinquency, abandonment, and foreclosure by public credit agencies.

The remainder of this chapter will trace the development of government policy for the purchase, reservation, and ownership of land. The next chapter will describe the organization and development of the Perkins-Corson Land Utilization Project which represents the latest phase of government purchase policy. Then in Chapter VI the alternative means for land use adjustment described above, which can be specifically aimed at the land use situation portrayed in the previous chapter, will be compared with public purchase of land.

Government Purchase of Land

The realization in the United States that certain areas of our land were imbued with an important public interest developed shortly after the Civil War. This realization was first manifested in reservations of land from public domain to be held for public use. Aside

from lands allotted to the Indians, Yellowstone Park was the first important reservation made. Later came the reservations of timber land and then power sites.

Finally it occurred to some that, if it were right for the government to own forest land in the West, then it was all right to acquire forest land in the East. Such public forests in the South and East, it was argued, could be valuable watershed protection for navigable streams, and it was on those grounds that authorization was given in the Weeks Act of 1911 for the government to purchase forest land or "potential" forest land.[1] Since this beginning in 1911, all the major categories of public land, except grazing districts, have been added to by purchases of land previously in private ownership. In the 1930's particularly, there were many additions to the public domain. The categories benefiting most from these purchases were the National Forests, Fish and Wildlife Refuges, National Parks, Indian Lands, and Armed Forces.

A slightly different type of land purchase was undertaken during the 1930's. Normally the public's purpose in buying land is to preserve the land for a specific use, such as the forestry, and fish and wildlife refuge lands; but during the New Deal era the government began buying land solely to halt or prevent misuse of the land. Government ownership to this extent became a means rather than an end in government land use adjustment policy. Some of the land purchased was added to the major federal land areas according to the special use

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1/ Marion Clawson, Uncle Sam's Acres, (New York, Dodd, Mead, & Co., 1951.)

to which it was best adapted, but much of it was organized into projects and placed under the supervision of the Soil Conservation Service. The land use purchase program under which these lands were acquired was one of several New Deal devices for doing something about the more destitute agricultural areas during the drouth and depression.

The Land Use Purchase Program

The land use purchase program was carefully considered, planned and executed by capable administrators. There is a wealth of material describing the conception and development of the program, its purpose and goals. Subsequently, particularly since 1940, there has been a negligible effort to measure its achievements. The program could have been a great social experiment but lost its major social value because it failed to receive an objective appraisal. As stated in Chapter I, it is one purpose of this paper to suggest ways and means by which this appraisal might be made.

The original L.U. lands were purchased under authority given to the President under the National Industrial Recovery Act of 1933 and the Emergency Relief Act of 1935.[2] The funds made available under these two acts expired June 30, 1939. Under these statutes 9,091,570 acres of land were purchased at a cost of $46,277,273. Title III of the Bankhead-Jones Farm Tenant Act (1937) extended the land purchase program, and stated clearly, for the first time in a public statute,

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2/ National Resources Planning Board, Public Land Acquisition, Part I, Rural Lands, (U. S. Government Printing Office, Washington, D.C., 1940) p. 16.

the purpose of this program of land purchase. It stated that the Secretary of Agriculture is:[3]

> "authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety and welfare."

It was emphasized that public acquisition was not the end or goal, but one of several means toward an end, namely, more efficient use of the land. Public acquisition was to be used only where other means were inadequate alone. Actual purchases were made in areas where other conservation measures could be combined with public acquisition to bring about the desired adjustment in land use. The act limited purchase to "poor" land, which eliminated acquisition of lands temporarily being misused.

Choice of areas to be purchased began with what was called "definition of a 'problem' area."[4] A special section within the Resettlement Administration, with corresponding sections in each of its 12 regional offices, was created. Land use specialists attached to the regional offices in cooperation with the agricultural experiment stations in each state, as well as with state planning boards, state conservation commissioners, and other agencies concerned with land, chose the most critical areas in each state.

3/ Ibid.

4/ "Interim Report of the Resettlement Administration," (Washington, D. C., 1936) p. 6.

Before final decisions on the development of the projects were made, the economic status of the occupants of the land, the conditions of the soil and native vegetation, including forest resources, and the need of the land for public purposes were considered. They explored the area's relationship to nearby towns and cities, to local public opinion, and to the attitude of various state official agencies. Special consideration was given to the possibility of relieving unemployment by the development of such a project and to the cost of the land.

Each specific project developed was placed under the immediate direction of a project manager. The work that was done on the project then depended on the problems of the region where the project was located. Although, in terms of acres, most of the land in these projects was located in the Great Plains there were many projects throughout the remainder of the country, and the problems were different in different areas. In most cases, however, there was first the job of resettling the displaced operators and disposing of the buildings and fences. After removal of improvements, the next step depended upon the use which was to be established on the land. Many of the smaller projects outside the Great Plains were organized largely for demonstration of proper land use for the region. Some of the land, perhaps, was seeded to grass, a few dams constructed, and terraces erected; other areas perhaps were planted to trees and recreation facilities constructed.

During the time that much of this land was purchased, the government was seeking any and all means to put people to work. One of the great virtues of these land acquisitions was that they provided

considerable local employment for a period of time; and that was probably one of the chief reasons Congress was willing to approve of the program. Local labor was employed in whatever clearing or construction work was involved in the project developments and this tended to lessen the local relief load.

There were about 208 projects in all. As of 1936,[5] forty-six of these were Park and Recreational type projects turned over to the National Park Service; thirty-two were made into Migratory Waterfowl Refuges; and thirty-one were Indian Land Conservation projects. The breakdown of the remainder is less definite. There were between 90 and 100 agricultural type conservation projects scattered over the entire nation; several others were used for military installations and reservations, and the remainder were probably miscellaneous small projects. There were about 11,000,000 acres in all, with 6,874,000 acres in the 90 to 100 agricultural conservation projects. These latter type projects were placed under the Resettlement Administration--which later became the Farm Security Administration--until 1938 when they were transferred to the Department of Agriculture and placed under the Soil Conservation Service. In 1950 the Soil Conservation Service still had 74 of these projects in 31 states, composed of 6,981,000 acres. This acreage has since diminished as some of the land has been traded to the Bureau of Land Management in order to consolidate the holdings of each organization. In addition, the Soil Conservation Service had the authority to exchange Title III land for private lands, if the

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5/ "First Annual Report, Resettlement Administration," (Washington, D. C., 1936) p. 21.

exchange was to the mutual benefit of both the government and the private owner. In the 1953 reorganization of the Department of Agriculture, jurisdiction over these lands was handed to the Forest Service. Authorization to sell the lands to private owners has never been given.

The projects which were kept within the land use adjustment program were of three main types:

1. Grazing lands--mainly in the Great Plains. The purpose of these was to reseed broken land and establish controlled grazing.

2. Isolated settlers projects--mainly in Wisconsin where isolated settlers were bought out in the zoned areas, to lower the costs of local government.

3. Forest and pasture projects--mainly in the Midwest and South, such as Ozarks, cutover area in Michigan, and rough eroded areas of Illinois, Indiana, Ohio, and the Appalachian mountains.

The purchases were in no way exhaustive. The Soil Conservation Service estimated in 1939 that there were 86,000,000 acres[6] which should be acquired, which means about one-ninth of the eligible area was purchased. As a result many of the projects consisted of only a few thousand acres in an eroded or blighted area, with the main purpose of the project being to demonstrate proper land use to the surrounding area.

The Soil Conservation Service proceeded to build up these areas, establishing controlled grazing, sustained-yield forestry, and erosion control. During and after the war they were hampered by a shortage of funds for completing all the necessary work on the projects, and as the conservative elements became more dominant in national politics the

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6/ Hearings, 75th Congress, Agricultural Department Appropriation Bill, 1939, Vol. 43, p. 56.

Service noticeably lost its enthusiasm for the public acquisition and ownership of land.[7]

Detailed accounts of the program and accomplishments of the individual land use projects have never been published, with very few exceptions. During the short period in which the projects were under the Bureau of Agricultural Economics, several brief folders were printed describing in general terms the purposes and activities of a few of the projects. The Soil Conservation Service got out an excellent report on the Spring Creek, Wyoming, Land Use Project in 1939,[8] but that has been the extent of their project descriptions. There has been considerable material written on group tenure in the Northern Great Plains which has necessarily dealt also with the land use projects within which some of these group tenure organizations were operating. From these various sources and from the personal files of people interested and involved it was possible to obtain a fairly complete picture of the early program operation. The difficulty arose in delineating post-war developments. It is believed the following chapter represents the only comprehensive description and evaluation which has been made of postwar developments on a land utilization project.

7/ Charles M. Hardin, The Politics of Agriculture, (The Free Press, Glencoe, Illinois, 1952) p. 92.

8/ R. L. Spurlock and S. M. Lingo, "Land Use Adjustment in the Spring Creek Area, Campbell County, Wyoming," (Soil Conservation Service, U. S. D. A., Washington, D. C., 1939).

CHAPTER V

THE PERKINS-CORSON LAND UTILIZATION PROJECT[1]

The Perkins-Corson Land Utilization Project (SD-LU-21) was one of the last L. U. projects to be established. It consisted of about 500,000 acres (project area--not purchase area) in Perkins and Corson Counties of Northwest South Dakota. The land is located along the north and south forks of the Grand River. The topography varies from level to undulating on the river terraces, and gently rolling to hilly in the uplands.

The soils are quite variable and characteristic of those found in brown soil regions developed under limited rainfall. Only a small portion of the land is suitable for grain farming purposes due to the light soils and the limited acres of land level enough to be tilled with modern machinery. Most of the level areas are too small to make the use of modern machinery practical.

The extreme variations of rainfall in this area are more important than the yearly average. At Lemmon, South Dakota, just north of the project area, the average rainfall, 1907-1937 inclusive, was 14.32 inches. The highest recorded amount was 26.71 inches in 1908, and the lowest recorded amount was 5.54 inches in 1936. The latter amount is

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1/ The material for this chapter is unpublished material generously provided by Mr. Clarence Dyson, supervisor of the Perkins-Corson Land Utilization Project. In addition, the author interviewed informally many individuals in the project area.

about average for some of our drier deserts. The extreme variability of rainfall is part of the reason for the distress in this area which led to the establishment of the L. U. project.

Settlement and Ownership of Land

Homesteading in this area occurred mainly between 1905 and 1915. In several of these years, particularly 1908, more than average rainfall was received. However, in the twenty or thirty years following most of the farm owners drifted into financial distress. At the time of government purchase in the late 1930's most of the land was either already owned by the counties under tax deed, or was so seriously tax delinquent as to be subject to tax deed. The records show that most of the land purchased by the government in this project never carried itself more than about ten years after the patents were issued. A considerable number of farms was lost to loan companies which later became insolvent and allowed the land to go for taxes.

Table 1 indicates the acres owned by each class of owner in the project area before purchase. It should be noted that 29.9 percent of the land area was in public ownership--under federal, state, and county jurisdictions. Most of this had reverted from private ownership through tax deeds and foreclosure (county and rural credit lands). Of the area still in private ownership 70.8 percent was tax delinquent. Thus there appears to have been ample evidence that drastic adjustment measures were warranted in this area. Apparently only a small fraction of the land was in units capable of carrying themselves financially.

Table 1

Ownership of Land Before Government Purchase
by Class of Owner

Perkins-Corson Land Utilization Project

Classification of Ownership	Acres	Percent
Public Domain	1,135	0.2
Federal Land Bank	10,167	2.1
Indian Land	9,952	2.0
State School Land	31,548	6.4
Corporation	12,629	2.5
County	48,047	9.8
Rural Credit	56,762	11.5
Private non-resident	154,749	31.5
Private resident	167,122	34.0

The situation in Perkins County, as well as most of the Northern Great Plains, was aptly described by H. R. Jackson, attorney, of Lemmon, South Dakota. In a letter, a copy of which was furnished this author, he wrote: "The homestead wave washed farther west than the land warranted. The receding of that wave left those areas which today form the L. U. projects in the Northern Plains States." In some respects it could be said that this wave of settlement had advanced and receded several times in the brief history of the area; but in 1937 it appeared that a major receding wave or undertow was being built up. The immediate problem confronting the government, then, was to see whether this could be made an orderly and permanent recession of settlement. The question was being asked, "Could this advancing

and receding be stopped?" Government purchase appeared to many to be an effective and appropriate solution.

Records of twelve privately-owned farms which were purchased by the government were selected at random from the files of the project office in Lemmon. The important information for each of these units is summarized in Table 2.

When one considers the rainfall and topography of the project area the small size of these farms (average: 342 acres) is appalling. Of course some of these units were likely abandoned or were leased by a larger operator; however, exact information on this was not available. One of these units and parts of two others were homesteaded (1909 and 1911) by the person conveying title to the government. Several units had been through foreclosure prior to government reacquisition.

Four of the liens were held by the Federal Land Bank, and two were Rural Credit loans.[2] The liens plus delinquent taxes averaged 54 percent of the appraised valuation. Tax delinquency ranged from zero to 15 years.

Before and during government acquisition various studies and surveys were made to determine the major problems of the area and the adjustments needed. The following information is summarized from some of these studies.

1. Farmsteads Eliminated. In 1937, before the project was initiated, there were 506 farmsteads in the area with an average size of

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2/ Rural Credit was a state-sponsored system of credit for farmers and ranchers in South Dakota.

Table 2
Summary of Information on Twelve
Farm Units Purchased From Private Owners in
Perkins-Corson County Land Use Project

Purchase unit no.	Acres	Appraised Valuation	Valuation Per acre	Liens	Taxes delinquent	Total obligations (Taxes plus liens)
1	160	$ 944.00	$ 5.90	($500.00)*	$640.00	$ 640.00
2	160	1,138.50	7.12	(90.00)*	901.85	901.85
3	156	1,294.97	8.30	--	184.05	184.05
4	517	3,489.95	6.75	1,500.00	99.71	1,599.71
5	320	2,075.00	6.48	1,500.00	97.88	1,597.88
6	317	1,458.17	4.60	1,920.00	383.58	2,303.58
7	397	1,820.20	4.58	1,500.00	--	1,500.00
8	160	833.00	5.21	--	343.08	343.08
9	158	2,646.13	16.75	--	564.43	564.43
10	437	3,369.00	7.71	1,303.50	130.00	1,433.50
11	320	1,020.00	3.19	600.00	113.74	713.74
12	(846 ((160	5,763.37 641.80	6.37	2,500.00	48.32	2,548.32
Total	4,108	26,494.09	--	--	3,506.64	14,330.14
Ave. Per Farm	342	2,207.86	6.45	--	292.22	1,194.18
Ave. Per Acre	--	6.45	--	--	.85	3.49

* outlawed

988 acres. Only 375 (74.1 percent) of the farmsteads were occupied. The other 131 (25.9 percent) were unoccupied. The number of farmsteads purchased in the project was 168. These were divided between occupied and unoccupied as follows:

	Occupied	Unoccupied	Total
Farmsteads in Project Area (1937)	375	131	506
Farmsteads purchased	121	47	168
Farmsteads remaining	254	84	338

Elimination of 121 occupied farmsteads, of course, meant that an equal number of families were displaced. However, all sales were voluntary, and aid in resettlement was given to all who required such aid. Following is a summary of reduction in the number of families residing within the project area.

Number of families in Project Area (1937)		375
Number displaced by government purchase	121	
Number displaced since government purchase	89	
		210
Number now in Project Area		165

2. Relocation of Displaced Families. A May, 1940, "Monthly Family Relocation Report" of the Farm Security Administration gives further information regarding the 121 families displaced by the government purchase. It is summarized in Table 3.

The destination of the displaced families was indicated as follows:

Relocated within the project	23 families
Relocated in the state	45 families
Relocated out of state	22 families

Table 3

Relocation of Families Displaced by Government Purchase

Families initially residing on land acquired		121
Families to remain		0
Families relocated to date		82
a. Relocated by their own efforts, without FSA aid	76	
b. Relocated by FSA in resettlement community	1	
c. Relocated with rehabilitation loans or grants, but not in resettlement projects	1	
d. Relocated by transfer to other agencies	4	
Families to be relocated		39
a. To be relocated by their own efforts, without FSA aid	20	
b. To receive rehabilitation loans or grants but not in resettlement projects	8	
c. To be transferred to other agencies	2	
d. To be relocated, type of aid not yet determined	9	

Moved to town	30 families
Deceased	1 familiy

It is claimed by the present manager of the project, and those who carried out the purchase, that no "going units" were ousted or put out of business by the program. This statement, of course, hinges on their definition of a "going unit." It is true that no financially successful operating unit was forced to sell out. The 121 displaced families were very likely financially insolvent, and happy to receive any aid which would help rescue them from their unfortunate situation.

3. Cropland in the Project Area. Nearly one-half (44.6 percent) of the units being farmed were under 640 acres while 62.2 percent were under 1,000 acres. All operators with less than 640 acres and nearly all of those with less than 1,000 acres can be assumed to have been dependent on cash grain crops to provide the major portion of their income.

Cropland was 22.9 percent of the entire area, or 112,726 acres. Of this total 35,484 acres were abandoned and idle. Grazing land was 279,385 acres, or 77.1 percent of the total. A land use suitability study clearly indicated that a large acreage of the cropland was primarily suited for grazing.

4. Livestock in the Project Area. In 1937 livestock numbers in the area were much below normal due to the severity of the drouth, particularly in 1936. Table 4 lists what the farmers considered to be their usual number of livestock when operations were normal as well as the number they actually had in 1937.

Table 4

Livestock in the Project Area Prior to Government Purchase

Type of Livestock	Usual No.	No. in 1937
All cattle	18,327	4,255
All sheep	44,124	24,786
Horses	5,976	1,792
Brood sows	1,828	292
Average no. of animal units per farm	79	26
Acres of grazing land available per animal unit	13	40

Several ranchers were interviewed whose land had been purchased by the government in 1939. At that time they had only fourteen or fifteen head of livestock. They have since purchased or leased land adjacent to the government pastures and are able to keep from 50 to 150 head of cows. However, the size of their new units is not significantly larger than their previous ones. The difference is that they now have better land, nearly all of which is used to raise roughage for winter feed and pasture, and are able to use the government pastures for summer grazing.

Purchase of Land and Operation of the Project

Government purchase in the Perkins-Corson Project started in 1939 after intensive study of the area and its problems. Some of the results of these studies were included in the material just presented. The object of the purchase project was to acquire in reasonably blocked areas about 175,000 acres of the poorer farmsteads. This was to

include, as nearly as possible, all of the small farms in the rough areas primarily suited for grazing. The operating units located on good land and suitable for ranching headquarters were left in private ownership.

The land acquired by the government was to be turned into "community pastures" for fenced summer grazing areas to be used in common by adjacent operators. Stock watering places were to be provided, abandoned cropland reseeded to grass and old buildings and fences to be removed. The restoration of grass was to provide additional summer grazing for the operators remaining, giving them greater opportunities for making a livelihood and developing permanent and stabilized livestock enterprises. All lands purchased by the government through this program were to be left in grass permanently. Operators located on established units which were left in private ownership were to be given an opportunity to qualify for grazing privileges during the summer grazing period. Eligibility was to be based on criteria which will be explained later in this chapter. After it was once established that an applicant was eligible, he would be sure of grazing privileges permanently, if he provided sufficient feed and storage for his livestock during the winter months and paid for his grazing privileges.

The administration of the "community pastures" was to be placed with a cooperative grazing association organized by the people of the area who were to receive grazing privileges. Twenty-five percent of the revenue from grazing on government owned lands was to be paid to the county for school and road purposes.

Problems of Administering the Project

As was indicated in a previous chapter, the L. U. lands were transferred to different government agencies rather frequently in their early years. The Perkins-Corson Project, however, began operation at the time the projects were transferred to the Soil Conservation Service (1939) and remained under SCS supervision until 1954.

The first available annual report for the project is for the year 1941. This report was written by Clarence A. Dyson, Project Conservationist, who has remained in charge of the project since its organization.

The Grand River Grazing District was organized in 1940 to lease and administer the "community pastures," established with blocks of government-acquired land in Perkins County. The area in Corson County was not at that time within a grazing district and was being leased directly to individual operators.

The government leases, in nearly all cases, contained certain restrictions for use of the land. The primary restriction was that the land be used only for grazing and that the grazing be limited to a specified number of animal units and for a specified number of summer and fall months. The government retained a project manager to supervise the development of inprovements on the land and determine the condition of the range for making recommendations regarding its use. The Grazing District maintained the improvements, checked for trespass, granted grazing permits, and generally supervised the summer grazing.

The 1941 report of the Grazing District indicated that the community pasture had worked out successfully the first year, but that

certain management and administrative problems had arisen. A consideration of some of these problems follows.

1. Isolated Tracts of Private Land. Perhaps the major problem, at that time, resulted from the isolated tracts of land still privately owned and located within the community pastures. The report stated:

> The purchase of 2 additional tracts of 80 and 320 acres each will be necessary for important development work. Further land purchases should be made to protect the land use adjustments carried out to date. Two tracts of private land 320 acres each should be included in this purchase. One tract has a set of buildings with a small acreage of cultivated land. The other tract includes 160 acres of cultivated land. Both tracts are in the pasture and will attract "squatters."

2. County Land. The county lands remaining in the Project Area were also of considerable concern to the Grazing District and the Project Conservationist. The county-owned lands included three blocks of approximately 1,000 acres each, including 480 acres of cultivated land. Since the policy of the county was to sell land whenever possible, and these lands were large enough to attract buyers though not large enough to be self sufficing, the Project Conservationist was recommending that these lands also be purchased. There were several other county owned tracts of approximately 160 acres each and totalling 9,600 acres scattered throughout the pastures; but these were not large enough to attract buyers, and it was felt they could be handled by the District.

The danger which prompted the concern regarding these lands was that they might be purchased by someone not interested in cooperating with the Grazing District. The purchaser might expect to crop the land, or to graze so many head of livestock that trespass on the government land would be inevitable. Because none of the blocks were

ample for self-sufficing units it was considered imperative that they remain under the control of the District for proper utilization.

3. Control of Non-Federal Land. Government purchase ceased after 1941, and the isolated tracts of county and private lands remained a problem. In the early years the Grazing District encouraged its members to buy up these isolated tracts of land, and several of them did purchase a few tracts.

Members who did this were given free grazing permits based upon the carrying capacity of the land they purchased. In recent years the District itself has purchased land which it decided was essential to proper management of the district-controlled lands. The purchases were almost exclusively of county tax deed land.

The lands administered by the Grand River Cooperative Grazing District in 1954 are classified according to owners in Table 5.

Table 5

Lands Administered by Grand River Cooperative Grazing District Classified According to Owners

Title III lands (government purchased)		153,953 acres
Public Domain		959
District Owned	9,858	
School land leased by District	960	
Privately owned and leased by District	1,240	
Total non-federal land owned and leased by the District		12,058
Local operators privately owned		11,853
School land leased by local operators		2,640
Total		181,463

The last two classifications are land within the community pastures for which the private owners or lessees receive free grazing permits.

One of the reasons for turning administration of the Title III lands over to a grazing association was that it constituted a means of extending the land use control beyond the boundaries of purchased land. The grazing association was expected to acquire, usually by lease, considerable land in addition to the Title III lands. Thus, in several projects in other states much county, state, and railroad land, as well as other private lands, was leased by the association in addition to the Title III lands; and the agreement with the grazing association stipulated that the federal government control of land use and grazing would extend to all lands administered by the association. In the Perkins-Corson project the Title III lands constitute approximately 85 percent of the land controlled by the District. This gives the District a stability it would not have if it were relying largely on leased land--particularly if it included large tracts leased from the county.

4. Charges for Leasing Government Land. Another problem in the management and operation of the land use projects is the determination of leasing rates. Most of the government land is leased directly to the Grazing District, and the District in turn grants grazing permits to its members. The grazing fee which the members pay is the income which enables the District to pay the government charge for use of the land. The Grand River District has followed a policy of setting its grazing fees as nearly as possible to the going rate in the community. It does this, and advises other grazing associations to do the same

thing, because it believes this meets the public criticism that members of the District are getting something for nothing. It may be true that the public looks no further than the grazing fee charged by the District. However, the real test as to whether someone is getting something for nothing depends on the charge made by the government for the lease of its land to the District.

In the past few years the District has been able to purchase 9,858 acres of land from its accumulated profits, indicating that there is some spread between government charge and District grazing fee. The District apparently has not yet faced the problem of what to do with an accumulated surplus when there is no further land to buy or improvements to make. However, they do state that they have purchased about all the land they intend to purchase. Charging the going rate for grazing fees is probably a wise policy, but it may lead to profits and dividends which could be handled in a way to give an impression to the public equally as bad as a very low grazing fee. Hence, if there is any subsidy, it may be found either in high profits for the grazing district or a low grazing fee for users of the government pasture.

This does not mean the government charge should be so high that the District would be forced to charge the going rate in order to break even. Some consideration is, and should be given to the fact that the District undertakes most of the job of administering these lands and therefore deserves some compensation for service it is performing for the government.

5. Basis for Granting Grazing Permits. Government ownership of grazing land always creates a problem of choosing who is to receive a lease or grazing permit. The story of how this problem has been solved

in the West is a book in itself. In the L. U. projects the grazing associations were required to use the criteria, now almost standard in the West, of commensurate property, dependency, and prior use.

These three criteria generally follow the principle that certain operators have better claims to the use of the government land than others. Commensurate property refers to the feed base and facilities for wintering of livestock. Some one without adequate commensurate property has no valid claim for use of the government land. Dependency, as the term implies, refers to dependence on additional pasture for maintaining the operator's livestock herd. An applicant for a grazing permit must show that he is dependent on summer grazing from the L. U. pastures in order to maintain his present scale of operations. Prior use indicates an historical claim based on previous use of the land. If a rancher were using land which was later purchased by the government, then he would have a claim for grazing privileges on that land based on prior use.

Each member, before he is issued a grazing permit, must apply for a preference. The preference granted, if any, depends on the goodness of the applicant's claim. The best claims are given a Class A or an adjusted Class A preference. Poorer claims get a Class B preference or none at all.

Much of the criticism of the L. U. projects has come from those who do not understand the nature of the claims which permittees have on the government grazing lands. The system of preferences enables the Grazing District to issue grazing permits to those with the best claim first, and, as more grazing is available, to those with progressively poorer claims.

6. Scarcity of Livestock in Early Years. The early problem in the Perkins-Corson Project was not one of excluding those without claims, but of getting enough livestock from any source to graze on the project. The 1943 report for the project states that sufficient grazing was available on district controlled lands for all preferences, Class A, Class A adjusted, and Class B, and still have a substantial surplus remaining. It further stated that not more than 35 percent of the grass had been used "in each of the past three above normal grass years." Efforts were made to obtain cattle for temporary grazing from as far away as Miles City, Montana, but without success. Table 6 is a record of the membership of the Grazing District and the number of livestock for which permits were issued.

7. Special Problems. Originally the improvements on the government land such as reseeding of cropland in grass, development of dugouts and other water sources, building of fences, and establishment of fire guards were paid for by the government. But the appropriations for these purposes soon dried up and the District had to undertake many of the improvements on its own. Many miles of fence, numerous dugouts, dams, and many miles of fire guards have been constructed.

One of the purposes of the Project is to give the small rancher a stability in his operations which he could not achieve before because of the inability to obtain effective control of sufficient grazing land. To a considerable extent that purpose has been achieved, but a new kind of instability has crept in which has its source in the uncertainty regarding the ultimate disposition of these lands. In recent years this uncertainty has been increased by suggestions from official sources that these lands be returned to private ownership. (see page 6).

Table 6
Record of Memberships and Livestock Permits Issued
Grand River Cooperative Grazing District
1941 - 1954

Year	No. permits issued: Members	Non-members	Animal units for which permits were issued: Cattle	Horses	Sheep	Total animal units	Average per permit
1941	59	4	1,887	103	1,368	3,359	53.3
1942	82	11	2,961	297	1,844	5,102	54.9
1943	88	11	4,441	403	2,703	7,547	76.2
1944	91	32	6,790	677	1,956	9,422	76.6
1945	89	39	8,501	369	1,864	10,734	83.9
1946	95	43	10,079	397	1,232	11,709	84.8
1947	93	36	8,954	219	898	10,071	78.1
1948	105	41	11,717	96	1,323	13,136	90.0
1949	101	42	12,267	48	2,760	15,075	105.4
1950	105	36	9,424	-	960	10,384	73.6
1951	104	34	9,589	-	1,102	10,691	77.5
1952	107	32	10,332	-	987	11,319	81.4
1953	108	42	10,917	-	1,020	11,937	79.6
1954	106	45	10,779	-	1,027	11,806	78.2

For a short time following the Korean War the Perkins-Corson Project was threatened by a scheme to give, or sell at a nominal rate, the L. U. lands to veterans. Interviewing a few participants in this incident revealed that there was general misunderstanding of the project and what might be involved in disposing of the lands. The scheme attracted considerable attention but was dropped when the misunderstandings were cleared up.

The disposition of these lands should be the result of an objective evaluation of the projects, not just a belief in the righteousness of private property. If there is any urgency in the subject of this study it stems from the need to provide this evaluation while the projects still exist.

Framework Suggested for Evaluation

The following framework is suggested for evaluation of the land use purchase program. First, a consideration of the program itself; and, second, a consideration of future disposition of the lands.

1. Should the lands have been purchased? In answering this question attention must be given to two other questions. First, did the program accomplish its purpose; and, second, how does this approach compare with alternatives? If we are to answer that the lands should have been purchased, then it must be found not only that the program accomplished its purpose, but also that it was better than any reasonable alternative.

In the Perkins-Corson Project it appears that the program achieved most of the things it set out to achieve. One objective, stability of tenure, has been largely accomplished, if the program

itself is stable. Members of the Grazing District are assured of summer grazing each year if the government does not sell the land. No homesteader, large rancher or wheat farmer can defeat the member's rights. This stability opens up the doors of many sources of credit for the small operators which were previously closed.

There are many other advantages the District members have received, although it is difficult to determine in some cases whether the credit for these advantages should go to the L. U. program or to the Grazing District. Cooperative administration of the grazing land has allowed for the establishment of improvements, such as reseeding of crop land, construction of dams, dugouts, and fireguards, and the development of springs. There seems little doubt but that these improvements were more efficiently constructed cooperatively in the community pasture than they could have been constructed individually on private ranches, especially in the case of the water sources. Unless a grazing association either owns its land or controls it with a long-term lease, as is the case with the Grand River association, it might not want to undertake some of these permanent improvements.

The members also have certainly benefited from the expert advice of the project supervisor regarding management of grazing land, and from his inspection of the pastures, limitation of animal units allowed in the pasture, and other suggested improvements.

The Grazing District requires that all bulls placed in the summer pasture be inspected and approved. This practice has led to the development of a uniformly high quality source of feeder cattle which is beginning to attract new buyers. This could have been accomplished by a grazing association without the government land, but should not be

overlooked as an advantage of this tenure arrangement for utilizing the L. U. lands.

Certainly the community gains from the stability of operations and from the controlled land use which has resulted with the establishment of this project. Unwise attempts to grow crops are prohibited, and many uneconomic units have been eliminated. The project is paying 25 percent of its income in lieu of taxes, and this appears to be considerably in excess of taxes paid prior to the government acquisition of the land. But this, of course, is not the entire picture.

Thinking now in terms of disadvantages, in what ways would the District member be better off if he owned his share of the L. U. lands? Certainly he would have more independence of action. If he were a particularly skillful operator he might improve the quality of his cattle and even his pasture. He would be free to make other uses of his land, if they seemed to him to be wise.

Most of the questions regarding the L. U. lands concern loss of taxes when the land is publicly owned, and whether or not the operators leasing the land obtain a subsidy. In regard to taxes, as has already been mentioned, 25 percent of the income from the public lands is paid in lieu of taxes. How this amount compares with payments from other land should be determined. The amount paid is, of course, not an unvarying amount, because the grazing fees collected by the Forest Service and Soil Conservation Service vary with the condition of the pasture and the price of beef. But they do not have any necessary relationship with the needs of school districts, townships, and counties. Livestock, the only personal property on the government lands,

is assessed at the residence of the operator.

Determining the adequacy of the payment in lieu of taxes will not be easy because of several factors difficult to evaluate. Land that will never be in private ownership will require less public services than land which may support a family and thus require roads, schools, and other government services. The L. U. lands are the poorer lands in the community, and much of their current value has been created by the water resources developed and the good management since government acquisition. As nearly as the writer could determine, the amount currently paid in lieu of taxes is not considered to be greatly out of line; but in order to meet criticism the rate of payment should be reviewed.

The criticism that District members who use the government pastures are getting something for nothing is also going to be difficult to evaluate. The issue has been somewhat camouflaged in the Perkins-Corson Project by the District charging its members the going rate for grazing in the community, and using the resulting surplus to buy land needed to consolidate the community pastures. Consideration should be given the district for its services in administering the government land; upkeep of improvements such as fences, fire guards, and water developments; and for the improvements it has constructed. Aside from these considerations, the charge, it seems, should approximate the going rate for the community.

There are two ways in which a subsidy might be capitalized into the value of the commensurate property. The first is through a low grazing fee, and the second is through increasing the value of the

grazing preferences (other than by lowering the fee). Since the Grand River District has charged the community rate for grazing, any capitalization of subsidy into the value of commensurate property would have to come through an increased value of grazing preferences. Whether the owning of land by the District increases the value of grazing preferences significantly in a moot question. It is conceivable that it could, but not certain that it would.

It is not intended to imply that the government charge for grazing is too low or that the District should not have followed the policy it did in regard to grazing fees. These things are discussed here only because they must be considered in any attempt to ascertain the existence of a subsidy to the lessees of the L. U. lands.

If it is found that the L. U. projects were successful, there remains the question: would alternative, less drastic measures have accomplished the same purpose? Did private ownership of the land have to be sacrificed? The major alternatives to public acquisition will be discussed in Chapter VI.

2. Now that the L. U. lands are acquired, what should be done with them? Should they be kept or disposed of? An if disposed of, to whom should they go, and when? What restrictions, if any, should be placed on their use? These questions need careful answers because the livelihood and property of a considerable number of families are involved.

As has been indicated in the various data presented, the average size of the units depending on government lands in the Perkins-Corson project for summer grazing is quite small. It is evident that a

majority of them could not survive without supplementary pasture. A number of these ranchers were interviewed recently, and the information regarding the size of their operations is in Table 7.

Table 7

Scale of Enterprise for Nine Ranchers Using Government Pasture

Acres Owned	Acres Leased Privately	Head of Cows
1,000	--	55
640	--	60
500	--	50
7,530	840	350
880	600	100
720	400	90
1,600	--	150
800	--	70
2,530	160	175

As shown in Table 6 the average number of animal units per permittee using the Grazing District lands has been less than 100 for every year except one. It therefore appears that, if the lands are sold, they might well be offered to the present operators first. The question then becomes, are the present operators in a position to buy their share of these lands?

When the Department of Agriculture was considering recently the sale of the L. U. lands, opinions were asked of local residents familiar with the financial status of the District members regarding the ability of these members to buy this land. All of these opinions

which were made available to the writer indicated that the operators were not generally in a financial position to buy the L. U. lands because many of them were still in debt for their present commensurate property. The writer of one of these letters, Attorney H. R. Jackson, Lemmon, South Dakota, went into considerable detail; and, with his permission, a portion of his statement is reproduced here.

> September 21, 1954
> Concerning lands acquired by the United States in this area under the provisions of Title 3 of the Bankhead-Jones Act, you have inquired as to the probable ability of present users to purchase such lands in the event sale of the same should be made.
>
> In answering your inquiry, I assume the government, through whatever office it might operate, would propose to offer these lands first to the present users, and that the government would demand a price at least commensurate with present-day market values.
>
> * * *
>
> Generally, from about 1940 till the end of the war, real estate transactions involved the expanding of existing units or the creation of new farm and ranch units. Most of such transactions involved purchase of tax deed lands, that is, lands upon which taxes had not been paid during the 1920's and the 1930's and which had by consequence become the property of the county through tax deed proceedings. From about 1942 through 1947, several hundred thousand acres in this territory moved back into private ownership. These lands were purchased for very modest amounts, and thereafter titles were perfected by quiet title actions. During this period, the writer was attorney in quiet title actions involving well over 100,000 acres. During this time the landowner generally was in good shape financially, and loans, when made, were mostly to finance such purchases.
>
> Beginning about 1946 and continuing up until about 1951, there was a very active market in real estate, with new owners moving in, either young men taking over from the older generation or purchasers moving in from Kansas, Colorado, Oklahoma and Texas. Loan activity was substantial through this period, mostly for the purpose of financing or assisting in the financing of such purchases.
>
> During the last three years, the situation has changed very materially in that the volume of individual loans has shown a sharp upward trend, both in number and size, and the purpose for which loans were made has changed. As stated, up until about 1950 or

about 1951, practically all loans made were made for the purpose of financing the purchase of land. Since that time, about 90 percent of the loans with which I have had any connection or of which I have knowlege have been made for the purpose of re-financing and stretching out existing indebtedness.

That is to say, most of these loans in recent years have been for the purpose of converting short term loan paper into long term loan paper.

The usual insurance company loan now is made to provide funds to pay off an existing Federal Land Bank loan or other land indebtedness and to pay off short term mortgages held by banks and production credit agencies and secured by livestock mortgages.

The obvious conclusion I draw from this experience is that the average farmer and rancher in this territory is no longer moving ahead, expanding, increasing his operations and earning capacity; he is rather borrowing money upon his best long term security to stretch out existing indebtedness that has all at once become too heavy to carry on a year-to-year basis.

Basing my experience upon what I see of these who have already gone through the borrowing process, I would say that the average farmer or rancher who personally uses government lands would find it most difficult to raise money, either from their own resources or from normal loan channels, to finance purchase of these government lands.

By and large, these government lands are the poorer type lands in their several vicinities; this renders them less desirable as security for a real estate loan so that the average purchaser is going to find himself in a situation where his cost of purchase will rise more rapidly than his security, and if he borrows the money, it will necessarily be principally upon the value of the premises he already owns. Since a very substantial portion of the present users of these government lands already have loans on their units, I think it will be rather difficult to show sufficient added security.

For example, suppose Farmer Jones has a 1500-acre ranch, which is a fairly modest unit in this range country. In all probability, he now has a loan on it of around $5.00 an acre. His present using of the government lands is perhaps 500 acres, which the government prices to him at $10.00 an acre. The loan value of the 500 acres would run about $4.00 an acre, leaving a balance of $6.00 an acre, or $3,000 to be raised upon the strength of his home place. This involves an absolute addition to his present loan of $2.00 an acre, and by the time he covers loan costs, pays taxes, insurance and the other odds and ends that generally go to make up a real estate loan, he approaches an additional $1.00 an

acre on his home ranch. By now, he is seeking to up the loan on his home place to $8.00 an acre and has already passed the conservative appraisal of the value of the home place so that it becomes questionable whether he can even borrow it or not.

These figures are assumed, but they are close enough to actual experience in many loan files to make the case fairly typical.

I think it is well to remember that practically all of this project area was homesteaded about 45 or 50 years ago. At the time the government acquired the land in the late 1930's, most of it was already owned by the counties under tax deed, or was so seriously tax delinquent as to be subject to tax deed. I perfected the title to all of the land that Perkins County sold to the government which amounted to many thousands of acres, and I became reasonably familiar with the title to most of the rest of it. Actually most of the land now in the local project, consisting of well over 100,000 acres, never carried itself over about ten years since the patents were issued. Much of it was lost to loan companies by the original homesteader, and the loan companies then became insolvent and lost the land for taxes.

I have a very strong personal feeling that if this land is sold by the United States and goes back into private ownership, the government will then be again initiating the same cycle of economic distress and misery that began with the initial homestead days.

The District members interviewed by the writer were all, understandably, in favor of the government retaining ownership. Several admitted it would be "nice" to own all of their own pasture, but they had no major criticisms of the present setup, and readily acknowledge the benefits they have received from it.

Another consideration, if the lands are sold, is the possibility of future unwise use of the land. Some restrictions on the future use of the land should be considered, if the lands are to be placed back in private ownership.

One of the benefits of an L. U. project is that it does away with the disadvantages of the rectangular survey system to some extent in

developing water sources. It is conceivable that, in the division of the L. U. lands when, and if, they are sold, something other than the original section lines would have to be followed in order to have an equitable distribution of the water developments to the new owners--unless each community pasture is sold to one owner and operator.

If the lands are to be kept in public ownership, as was the original intention, then the questions of subsidy, payment in lieu of taxes, and granting of grazing permits will be the critical questions to be tackled. Monopoly of these lands by a grazing association, without fair rules for granting of preferences, permits and membership, should be guarded against.

CHAPTER VI

ALTERNATIVES TO LAND PURCHASE

An evaluation of public land purchase as a means of land use adjustment is not merely a matter of determining its degree of success. Land purchase is a drastic means and there is really no question but what it can be used successfully to alter land utilization patterns. The real question concerns a comparison with alternative courses of action. The seriousness of the land use situation will determine the kind of remedial action which is required; and, supposedly that course of action, which will interfere least with personal freedom and private property rights and yet prove adequate should be chosen.

Hence, one chapter devoted to alternatives to land purchase seemed necessary. It will quickly be apparent, however, that the programs or devices to be considered are not alternatives in the true sense. None of them is a complete substitute for any other one, but each aims more specifically at one phase of the problem than do the others. Thus, it is likely that the most satisfactory means of land use adjustment is a combination of two or more of these so-called alternatives.

The objective of this chapter, therefore, is not to prove that one means is superior to another, but rather to indicate the relative advantages and disadvantages of each. The aim will be to point out

the ways in which alternative means may or may not have accomplished the objectives of the federal land use purchase. The following section outlines the basis used for comparing the relative merits of each program.

Basis for Comparison of Programs

An ideal land use situation involves a great many things. In the Northern Great Plains the chief requirement is the effective control of enough land by each operator to permit profitable and stable operations for the farm or ranch enterprise. Control need not imply ownership of land, but it does imply that the operator has achieved considerable security of tenure through long term leases, grazing preferences, ownership, or any of these means in combination. It also implies that the land is reasonably blocked, accessible, that it can be protected from trespass, and that all land be a reasonably permanent part of some operating unit.

Proper land use would also require that settlement be reasonably compact, and that isolated settlement be prevented in order to cut down the costs of local government and schools, thus lowering the taxes on land. It is also important that counties and states administer their land in accordance with the best long run use of the resources involved. In other words, these governments should neither lease nor sell their land to individuals or organizations whose plans for the use of that land would disrupt the efforts of individual operators or of a group tenure association to establish effective control.

The development and conservation of the resources must also be considered in the ideal picture, such as controlled grazing, development of water resources, reseeding acreages not in grass, and destroying rodent and weed pests.

This model situation is not a theoretical construction of the present writer, but a generally accepted ideal gathered from the various studies dealing with grazing and tenure in the Northern Great Plains. It suggests the following questions for use in judging any land use adjustment program:

1. Does the operator have reasonable security of tenure?
2. Are state and county lands administered in a way which is conducive to good land use?
3. Does the program prevent speculative farmers from obtaining land, farming it for a few years, and then abandoning it?
4. Are there restrictions to prevent outside operators from leasing small units of land and then exploiting the surrounding area without legal control of it? This practice is known as "spot leasing."
5. Can trespass be controlled?
6. Is all "free land" brought under control?
7. Is settlement prevented in isolated areas?
8. Does the county tax policy aid or hinder proper land use?
9. Are the operating units of adequate size and reasonably compact?
10. What means are being taken to develop and conserve the resources?

Effective control of land is not a simple matter, as will be shown in the account of a Montana grazing association to follow. Control requires cooperation from many sources, and it requires sacrifice

of short-run gains for long-run benefits. The questions just listed will help in evaluating the various direct means of land use adjustment, especially as to their effectiveness in bringing the land under control.

A Grazing Association as a Means of Land Use Adjustment

The Buffalo Creek Grazing Association was organized in 1934, four years before it was included in a land use project.[1] Thus it will be possible to examine its success as a grazing association alone, without government aid in gaining control of the land and its use.

In the Buffalo Creek district were found the same problems of tax delinquency, poverty, abandoned homesteads, and absentee ownership, which were prevalent throughout much of the Northern Great Plains. The local livestock operators recognized their individual inability to improve this situation, and they decided to try a cooperative grazing association, which by 1934 was no longer new in Montana. The Buffalo Creek Cooperative Grazing Association was thus organized, and in 1936 it was reorganized to absorb a neighboring grazing district. Its membership and grazing permits have fluctuated widely, reflecting the presence of serious problems affecting the association's activities.

The most critical problem was the one of gaining control of the land within the district. That problem was solved for the Grand River Cooperative Grazing District, already considered, by the government purchase of 85 percent of the land administered by the district. The

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1/ Except where indicated, all the material concerning the Buffalo Creek Grazing Association is from Marshall and Voelker, op. cit.

Buffalo Creek Association on the other hand had no federal help with its difficult assignment during the first four years. Table 8 classifies land ownership in the district and gives some idea of the task facing the Association.

Table 8

Classification of Land Ownership, 1936
Buffalo Creek Grazing District, Montana

Class of Ownership	Acres	Owned percent	Number of owners
Public Agencies:			
United States (public domain)	8,045	1.5	1
State of Montana	30,739	5.9	1
County (mainly tax reverted land)	91,080	17.2	1
Corporations:			
Railroad	65,874	12.5	1
Land Investment & Mortgage Companies	39,703	7.6	32
Federal Land Bank	20,867	4.0	1
Other Corporations	20,177	3.8	28
Individuals:			
Owner Operators	64,998	12.4	105
Residents, not on the land	74,835	14.2	155
Nonresidents of Montana	109,563	20.8	261
TOTAL	525,881	100.0	586

In 1936 the Association made a serious attempt to lease the available land within its district. Aside from governmental agencies, there were 478 owners, corporate and individual, residing in 26 states, Canada, and Mexico, to contact. Lease inquiries, 521 of them, were sent out stating that the Association wanted to lease the land, but quoting no price. Of these 521 inquiries, 41 were never delivered, 308, or 64 percent, never answered, and 172 replied. Of the 172 replies, 52 stated their lands were already leased to individuals, 4 stated they were not interested in leasing to the Association. The remaining 116

land owners were made an offer to lease for $15 per section. Of these, 67 made no reply, 16 mailed refusals, and 33 leased their lands to the Association for five years. In addition, 18 other leases from private owners were made through personal contact. Thus not much progress was made toward leasing private land. By far the most important lease contract was signed with Yellowstone county. In 1936 approximately 50,000 acres of land were leased from the county and in 1938 an additional 33,000 acres were leased, making a total of 83,000 acres leased for five years. The state and the railroad would not lease on the terms offered. The lands leased by the Association in 1938 are classified in Table 9.

Table 9

Classification of Leased Lands, 1938
Buffalo Creek Grazing District

Class of Ownership	Total Acres Leased
State of Montana	640
Yellowstone County	83,950
Commercial Banks	957
Investment & Mortgage Companies	464
Federal Land Bank	8,335
Residents of Montana	2,631
Nonresidents of Montana	13,643
TOTAL	110,620

The state of Montana tended to demand rather high prices for its land and was unable to lease much of it until 1939 when it passed the grazing law requiring all grazing associations to lease the state land within their boundaries. The Northern Pacific Railroad (largest real estate owner excepting Yellowstone County) followed the policy of

leasing its land at $25 a section, apparently of the opinion that any lands not leased at that figure were not worth considering.

In 1936 the individual members of the Association owned and leased 160,000 acres of land within or adjacent to the grazing district. These acreages, together with the lands under lease to the Association, gave the Association formal control of 42 percent of the area within the boundaries of the district. The total acreage under control of members dropped to 132,000 acres in 1937 and to 85,000 acres in 1938 because of withdrawals from membership and some relinquishment of leases by the remaining members. Thus, in spite of the increased acreage under lease from Yellowstone County in 1938, formal control by the Association dropped to less than 35 percent of the area. Table 10 indicates the lack of progress and the difficulty which the Association experienced attempting to establish control of the land.

One extremely important factor not revealed in Table 10 is that the severely dry summer and grasshoppers of 1936 forced many operators to sell their cattle off the range. The demand for grass was so curtailed that the Association could not utilize fully the land it had, and therefore had no incentive to increase its land through further leasing. However, the difficulties involved in gaining control of the land were clearly demonstrated in their initial efforts to lease land. In the early years county land formed the backbone of land controlled by the Association, but it later proved to be the weak spot in its control. The importance of county cooperation is clearly indicated in the following excerpts from the 1943 and 1945 project reports:

Table 10

Control of Land in the Buffalo Creek Grazing District by the Cooperative Association, Members, and Nonmember Operators[2] 1936-38

Type of Control	1936 Acres	1937 Acres	1938 Acres
Owned and leased by members	160,534	132,025	85,679
Leased by the association	67,689	67,689	105,851
Total control by the association and members	228,223	191,714	191,530
Control by nonmember operators	*	141,001	96,131
Not under control (grazing area only)	*	210,635	263,689
Total area of Buffalo Creek Grazing District (including irrigated area)	542,390	471,350	551,350
	Percent	Percent	Percent
Control - percentage of total area			
By members and association	42.1	36.2	34.7
By other operators	*	25.6	17.4
Not under control	*	38.2	47.9

* Data not available

2/ Ibid., p. 34

> 1943: The county ... has been very cooperative in land use problems. All the county land, which is approximately 24 percent of the area, is leased to the district for approximately what the taxes on the land would be if it were in private ownership. The county has refused to consider proposals to buy tracts of this land in spite of considerable pressure from speculative operators. They do not refuse to sell any land to block up any established operator or enlarge a small operator, provided the grazing district recommends the sale.
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> 1945: The year of 1945 has been one of the most critical in the history of the Buffalo Creek Grazing District. Considerable grazing land has been lost through the sale of county lands by the county commissioners.... Approximately 60,000 acres within the district were sold in these transactions. Of this, the use of 38,000 acres is lost to the district and its members. This loss will necessitate about a 20 percent reduction in grazing permits for the year of 1946. Although only one-fifth of the land control has been lost, one-third of all the water developments of the district were lost through these sales.[3]

These two excerpts point out clearly the hazards of reliance on county government cooperation in the maintenance of effective range control by a cooperative grazing association. Here some on-the-spot evaluations of current developments would be helpful. It appears, however, that as long as a grazing association relies on leasing its land from various sources other than the federal government, it must continue to have the cooperation of those land owners in order to maintain effective control.

This description of the early problems of the Buffalo Creek Grazing District is intended to point out the weaknesses of a cooperative grazing association. These associations have been employed successfully on L. U. projects where the problem of land control is to a large extent solved by the government purchase of the uneconomic

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3/ C. W. Loomer, and V. Webster Johnson, "Group Tenure in Administration of Public Lands," (Circular No. 829, U. S. D. A., Washington, D. C., 1949), p. 22.

land units. Had the grazing association been more successful in gaining control then no government purchase of land in the district would have been required. An L. U. project was established in the district in 1938, with the first purchases made in 1939.[4]

Land Use Ordinances of Soil Conservation Districts

Soil conservation districts can, and have in a number of instances, become instruments of group tenure, and have operated in a manner similar to that of grazing associations, but with different membership provisions. However, there is another feature of soil conservation districts which has been little used, but is worthy of consideration as a means of land use adjustment. That is the power of soil conservation districts to enact land use regulations, which most state legislatures provided for in their enabling legislation for establishment of such districts.

The states, in most cases, delegated to these districts the power to enact regulations for the proper use of land. These powers, however, became very controversial and have been little used, but an account of the few times in which they have been used is interesting and shows considerable possibilities for land use ordinances as a means of land use adjustment.

Land use ordinances are, like government purchase of land, drastic means with which to obtain land use adjustment. They tamper with property rights to a degree not acceptable by many land owners. To restrict an individual's use of his land is to take away some of

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4/ Ibid., p. 42.

his rights in his land. Few property owners are willing to give up important rights in land without compensation.

It is this aspect of land use ordinances which has generally made land owners skeptical of such ordinances. With two exceptions their use has been confined to a few districts in Colorado and the history of their employment there has been stormy.[5] Considerable litigation and political activity resulted. So-called "county improvement" organizations were formed to fight the ordinances and in 1945 succeeded in getting the state enabling legislation modified to require all ordinances to be readopted within 45 days with a 75 percent majority of all land owners, resident or non-resident, voting in favor. In the subsequent elections they were able to kill the ordinances in several districts.

Stanley W. Voelker's recent study of these ordinances, from which this material is taken, lists three types of ordinances used in Colorado.[6]

1. Grazing regulations were passed in districts where there was considerable abandoned or open range land. These regulations were aimed primarily at migrant stockmen who were exploiting the range through spot leasing. These regulations were stated to be unconstitutional by the state attorney general because of discrimination against nonresident operators. The regulations simply stated that any rancher

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5/ Stanley W. Voelker, "land-Use Ordinances of Soil Conservation Districts in Colorado," Technical Bulletin 45 of Colorado Agricultural Experiment Station, Fort Collins, Colorado, (Great Plains Council Publication No. 5), March, 1952.

6/ Ibid., p. 7

bringing livestock into the district must have a permit based on the carrying capacity of the land he controls. Permits, of course, would not have been given for more livestock than could be grazed on the range controlled by the operator. Several districts adopted ordinances which attempted to get around the objection of discrimination, but they were never tested because the need for such ordinances soon disappeared. A district in North Dakota which made more notable use of a grazing ordinance will be discussed later.

2. So-called blow-land regulations were quite common in eastern Colorado. They required that the owner of land which is subject to severe wind erosion take measures to prevent such erosion. If a certain piece of land is blowing, the owner may be notified and required either to take action to prevent the blowing or permit the district to take the action and assess the costs to the land. These ordinances were popular enough that a state law was passed in 1951 with similar provisions applying to the whole state.

3. The last and most controversial were the sod-land ordinances requiring permission to plow up sod or "Restoration" land.[7] The intent of the regulations was to prevent the tilling of soil which was not already under cultivation and was too poor to hold up under continued cultivation. The granting or withholding of permits, as was established by a widely publicized court case,[8] had to be done according to some objective rules; and, fortunately the Soil Conservation Service

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7/ "Restoration" land is former cropland which is to be restored to grass and no longer cultivated.

8/ The Zorn case. See Voelker, op. cit., p. 16.

land classifications were acceptable to the courts as sufficiently objective. Most of the regulations, thereafter, required that permits be granted for Class I, II, and III lands, but not for Classes IV through VIII unless it could be shown that failure to grant the permit would cause the operator great practical difficulty and unnecessary hardship. This latter practice was called granting "variances" and was provided for in nearly all the sod-land ordinances.

The effects of these ordinances varied. While they won their battles in court, they did not, except in a few districts, win their battle in public opinion. Careless, arbitrary administration appeared to be one important cause for this failure. Voelker summarizes their results as follows:[9]

> "Weakness in administration led the landowners of three districts to abandon such ordinances in 1945. In a fourth district, in which all lands are submarginal for crop production, the ordinance has effectively prevented any breaking. In two other districts, where prospects for crop production are more favorable, the ordinances have not prevented sod breaking entirely, but they have slowed down the trend toward breaking. Because of the high type of administration in these two districts, new breaking has been guided largely onto the less hazardous lands."

The Cedar Soil Conservation District of North Dakota[10] employed a grazing ordinance as its first step toward gaining control of the land in its district for the operators of the district. This ordinance required all operators to obtain permits in order to graze livestock within the district, thus avoiding the discrimination against outside operators which was the legal objection to the Colorado grazing

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9/ Voelker, op. cit., p. 52.

10/ Loomer and Johnson, op. cit., p. 39.

regulations. However the ordinance was, in fact, aimed against migrant sheepherders from South Dakota who were exploiting the free land of the district through leasing small strategically located tracts. As far as could be determined, this ordinance was never tested in the courts. All the land was soon brought under control and the ordinance was no longer needed.

The district followed up this ordinance by leasing available land, attempting to get better rates and more comprehensive control collectively than the operators had been able to do individually. The land obtained in this way was then subleased according to previously outlined "lease-blocks." That is, the district had been divided into 140 units, called lease-blocks, one for each operator in the district. These were worked out with the operators through compromise and arbitration. Those public agencies which would not lease directly to the district were prevailed upon to lease or to sell their land to the operator in whose lease-block the land was situated.

Thus the Cedar Soil Conservation District combined several devices to obtain control of the land for its members, including a land use ordinance, group tenure, and lease-blocking, the latter two being closely linked, of course. Essentially the same conditions of tax delinquency, abandoned farm land, confused land ownership pattern, and unrestricted competition for grazing existed here that were found in Perkins and Corson Counties, South Dakota, and the Buffalo Creek, Montana, area. The Federal government purchased no land, but there was considerable county, state, Federal Land Bank, Bank of North Dakota, and Indian Service lands within the district. The number of

acres held by each agency in 1940 is shown in Table 11.[11]

Table 11

Classification of Land Ownership, 1940
Cedar Soil Conservation District, North Dakota

Class of Ownership	Acres
County Land	46,360
School Land	23,080
Indian Land	53,720
Bank of North Dakota	13,680
Federal Land Bank	6,240
Total Public Land	143,080
Total Area of District	304,000

The success of the Cedar District, hence, depended largely upon the cooperation of these public agencies. As long as the policies of these public agencies did not change, the position of the operators within the District was secure. But the District had no real assurance that the agencies would not some day sell or lease their land to speculative wheat farmers, who would be willing to pay more than the local operator or District could afford to pay. The District accomplished its control during a period of drouth and depression. To really evaluate its effect, current information to see how it resisted the powerful pressures resulting from adequate rainfall and high prices is needed.

The critical question is: Can land use ordinances be used to protect the District's control of the range should the county suddenly decide to sell its land, as it appears many counties have done since the war? If the land owners are willing to use ordinances, they can

11/ Unpublished material made available to the author.

protect themselves against the plowing up of land unsuitable for cultivation, and against the intrusion of outside operators who wish to exploit the range surrounding the land they control. These appear to be real possibilities of the ordinances, although their trial to date has been limited.

There is considerable ignorance of the character and possibilities of land use ordinances. However, should the public eventually become acquainted with them and learn how to use them effectively, they would make possible a local land use program adapted to the needs of the community, and with the full force of law. The possibilities for abuse or misuse, for some people, looms equally large, and this feeling has been prevalent enough to prevent their wide employment.

Block Leasing

Block leasing is a cooperative means of acquiring compact, adequate-sized, and reasonably permanent, operating units. It is usually employed by a group tenure organization, such as the Cedar Soil Conservation District, although it does not necessarily entail any group ownership or leasing. The effectiveness of block leasing in the Cedar District was assured only by the willingness of the Indian Service and other large land holders to observe the system in their private leasing activities.

Block leasing does not necessarily involve moving any operator from his land; and may even, through more efficient use of the land, make room for an additional operator. It is listed here as a direct means of land use adjustment, because it is an additional device for more effective control and efficient use of land where a large portion

of the land is held by public agencies or corporations. If counties which are selling their tax-reverted land, would agree to sell according to a lease-block system, they would be more reasonably assured that the land was becoming a part of an efficient operating unit, than if they sell indiscriminately to the highest bidder. That should mean added assurance to the county that the land will not again become tax delinquent.

Rural Zoning

The next direct means of land use adjustment to be considered, rural zoning, requires different treatment. It has not, to the writer's knowledge, been tried in the Great Plains, but has been used chiefly in the cut-over areas of the Lake States, to prevent agricultural settlement in forest areas. Based on the police power of the state, it is a means for the county and townships to zone their area in order to control settlement and use. Zoning ordinances adopted by a local government usually specify the type of settlement and use permitted in each zoned area.

The state of South Dakota had a study made of the possibilities for rural zoning in an area adjacent to the Cedar Soil Conservation District of North Dakota.[12] The results of this study can be summarized as follows:

1. Rural zoning applies to future usage of land and therefore should be used in areas where final adjustment in land use has largely

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12/ R. J. Penn, W. F. Musback, and W. C. Clark, "Possibilities of Rural Zoning in South Dakota," (South Dakota Agricultural Experiment Station, Bulletin 345, 1940).

taken place. Operators who are in conflict with the zoning regulations as adopted remain as nonconforming users, unless other means are employed to accomplish their resettlement.

2. Rural zoning ordinarily cannot be used to regulate the use of public land, which constitutes nearly one-third of the acreage in the Northern Great Plains.

3. The interrelationship of grazing and cash crop farming make rural zoning almost impossible except on an operating-unit basis. There is probably some portion of nearly every unit which can be farmed satisfactorily, thus necessitating the zoning of each farm or ranch. This would have very grave administrative drawbacks.

4. Rural zoning does have possibilities for the Northern Great Plains as a guide for settlement in established communities in order to increase the efficiency of public expenditures for roads, schools, bridges, and other services, and to facilitate the planning of these services. Thus, it appears that rural zoning might have a place in the Great Plains insofar as restricting settlement would prevent misuse of land submarginal for cultivation, but as a direct guide for land use it seems unlikely to prove helpful.

Taxation

The author believes that taxation should be used strictly as a means of raising revenue, and that other means should be employed to direct or control the use of resources. It is recognized, however, that not all resources react in the same way to a particular tax; and, thus, almost any tax will have some effect on the use of resources. The general property tax, supposed to treat all property

alike, has in many cases throughout the Great Plains been a deterrent to proper land use adjustment. This was illustrated in the case of Yellowstone County, Montana, (see Chapter III).

Most of the suggestions for a tax policy to adjust land use have been concerned with improving our present system of levying and collecting taxes. These suggestions in South Dakota have been for more equitable and accurate assessment, shortened tax deed procedure, and a stronger tax title.[13]

Taxation, if excessive, may be a means of the county acquiring land for management and control of its use. At the opposite extreme a county may reduce its services to the extent that the tax bill can be easily carried by the assessed property and no tax delinquency will occur.

Other indirect methods of influencing land use through taxation policy are a multitude of exemptions which can be made. In practice there have been exemptions of woodlots, homes, and farmsteads, plus many special exemptions of industries which a county or city wishes to attract.

The various forest crop laws are degrees of exemptions which are given through modifications of the general property tax. These and certain mineral severance taxes are the closest we have come in the United States to positive land use control through taxation. Tasmania and New Zealand have used a graduated land tax to break up large land holdings. The same idea could also be used to prevent

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13/ R.B. Westbrook, "Tax Delinquency and County Ownership of Land in South Dakota," Bulletin 322, May 1938, Agricultural Experiment Station, Brookings, South Dakota.

excessive subdividing. There are various ways in which land could be classified for taxation purposes in order to achieve direct land use control. To the author's knowledge no significant proposals along this line have been made in the United States.

One very serious drawback to taxation for land use control in the Great Plains is that a large portion of the land is non-taxable. Federal and state lands make up this category. For the eight counties of northwestern South Dakota 43 percent of their land was non-taxable in 1936.[14] This does not include the L. U. lands purchased since that date. The L. U. lands, as mentioned previously, make payments in lieu of taxes. Before the L. U. purchase Corson County land area was only 37.4 percent taxable, while Perkins county was 77.1 percent taxable.

County Land Management

Of equal or greater importance than taxation is the county policy for managing the land it obtains through tax deed proceedings. The possibilities for effective direct land use control in this way are great; but unfortunately the probabilities are not nearly as great as the possibilities. The counties are normally unwilling owners of land. Only after all efforts have failed to keep land on the tax roll will they take title to the land.

When the county becomes the owner of land it then must undertake the job of managing this land, if the county is to get any revenue from it. In South Dakota this task is the responsibility of the County Commissioners.[15] In a few counties, because of the amount of

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14/ Penn and Loomer, op. cit., p. 7.

15/ Westbrook, op. cit., p. 41.

land involved, the Commissioners appointed an agent who collected the leases and checked for trespass on the county lands. As a general rule, however, counties put as little effort or money as possible into managing their lands.[16]

Through fixing the terms of the lease to fit the land the county has an opportunity to promote wise use of its land. The lease rate may be set in accordance with the quality of the grazing or cropland. The term of the lease is important. In practice the counties leased their land for variable lengths of time but nearly always with the privilege of sale. However, in most cases if the land was sold the tenant was allowed to complete his year--or was given until the following March 1 before moving.

At least two counties in South Dakota employed systems of lease blocking, and this device seemed to show considerable merit.[17] This meant that a rancher who could establish control over a block of land would be assured of no competition for the rental of county land within that block.

Another possibility open to counties is to lease or sell its land with restrictions on its use. Thus, breaking up of grassland where it is unwise could be prevented. No extensive use of this possibility by counties is known to have been made.

No definitive comparison of county land acquisition and management with the federal land use purchase projects can be made at this time. Again, the reason is lack of current information. The county-

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16/ Ibid., p. 41-50.

17/ Westbrook, op. cit., p. 46.

owned lands are believed to have been pretty largely disposed of. Unfortunately, in most cases sale was the sole object of county land policy. Only a few counties practiced business-like management of their lands, although counties have the same possibilities for land management that the federal government has. If county land management had been entirely successful, the federal L. U. projects would have been unnecessary.

The following are a few hypothesized comparisons of the federal L. U. program and county land management. The federal land is still publicly owned and being managed in accordance with good land use practices. The county land has gone into private ownership with largely unknown results as far as use is concerned. The federal lands have benefited the small and medium sized rancher. The county lands may have gone primarily to the large operator, although this is entirely speculation. It was the opinion of those individuals interviewed in the Perkins-Corson project that the county lands outside of the project were purchased at low prices by large operators, including several large out-of-state ranchers.

There is great need for more knowledge of the disposition of county lands since the war. The needed comparison between L. U. lands and adjacent lands, mentioned earlier in this paper, could well include a study of current ownership and uses of lands previously owned by the county.

It is difficult to make clear cut comparisons of the various programs and devices for government or group action to adjust land use. It is as if one were comparing a saw with a hammer for building a house. Each of the means considered has a place in our chest of tools and each an application where it excels. The cooperative grazing association is a proven organization for administering grazing land in the West, but it lacks the power to cope with some situations. Land use ordinances have the power to cope with difficult situations, but the operators have been reluctant to use this power. Lease-blocking and rural zoning have possibilities when used in conjunction with other programs, such as group tenure and federal land purchase, but are inadequate alone. County tax and land management policies have been successfully combined with group tenure and lease blocking in the Plains, and in the Lake States with rural zoning.

Thus it appears that no one of these means described is entirely satisfactory alone. They are all most effectively used in combination. A better understanding of each method, its limitations, and how each compliments the others, will make possible a more meaningful and useful evaluation of the L. U. program. Errors of recommending one method where another would be superior, it is hoped, can be avoided by this better understanding of the alternatives.

CHAPTER VII

SUMMARY AND CONCLUSIONS

Problems requiring adjustment of land use arise in the settlement of a new area, and from other elements which make our economy dynamic. As experience is gained in the use of a new region, some of the need for adjustment should lessen. However, new technology, plus changing tastes and demand, will continue to require adjustment in size of farms and ranches, tenure practices, and kinds of crops and livestock grown.

Some adjustments are easy. If the change is to a more intensive use of land, the problems of surplus labor and displaced families is not so apt to occur. Economic forces can usually bring about this type of adjustment without too much social resistance and distress. On the other hand, if the change is to a more extensive use, such as changing from crop farming to grazing, then social resistance becomes an important factor.

Introduction of new machinery which increases the productivity of labor has also had the result of causing farm labor and families to be displaced, particularly on the borders of the Great Plains where moisture conditions have not permitted any increase in intensity of farming.

The federal government's program of land acquisition in the 1930's was intended as a means of aiding the adjustment to a more extensive use of land where conditions of poverty, erosion, and tax delinquency had shown an attempt at too intensive use in the past. Because of the seriousness of the situation in many areas, government purchase of some of these lands seemed warranted.

In the Great Plains these purchases were consolidated into projects which were placed under a project supervisor. Excess buildings and fences were removed, plowed ground seeded to grass, water sources developed, and fire guards built. The lands were leased usually to a cooperative grazing association which was required to allow some government supervision of its use of all land under control of the association. This supervision consisted primarily of control over the number of animal units allowed to graze any of their pastures, and the size of herd any operator could run.

These land utilization projects succeeded in removing surplus operators, adjusting the use of the land, restoring land to its maximum productivity, giving reasonable security of tenure to those using the land, and bringing the land under controlled use. These results were brought about largely while the conditions of drouth, depression, and surpluses still persisted. Since that time much improved business and weather conditions have prevailed, having a (so far) unrecorded effect on the land utilization projects. The program has not had a serious and objective evaluation since its inception.

A suggested framework for this evaluation is divided into two major areas. First, the degree to which the programs accomplished

their objectives, compared with what might have been accomplished by other courses of action, or by no direct government or group action. This would include evaluation of several features: the question of subsidy to members of the grazing association, monopolization of grazing rights by the association, adequacy of the payment in lieu of taxes, and the efficiency of the operating units established in the project.

Second, the disposition of the lands for the future is a current issue needing a sound appraisal to guide recommendation for action. The decision should not be based solely on a belief in the propriety of private ownership of land. Before recommending sale of these lands it should be found that sale would increase individual freedom of action, improve use of resources, leave the operators with a secure tenure and an adequate-sized reasonably compact ranch-unit, and leave the public with some control over future use and disposition of these lands.

If it should be recommended that these L. U. lands be sold, then the rights of all operators presently using the project should be recognized. Much of the value of their commensurate property rests on their grazing preferences granting use of the federal land. In addition to their rights to graze on this land, the operators' ability to purchase their share of the lands should be considered.

All the lessons in public purchase of land for land use adjustment cannot be learned from one project. Each project was handled differently and had different problems to meet. The significant experience gained in all projects should be brought together and analyzed for

possible future reference. Different amounts of land were purchased in the various projects, different rules for leasing and use were established, and various degrees of local control were allowed. An objective study of the results of these differences is needed.

Future Policy Possibilities

Public acquisition as we have seen is certainly not without merit as a means of land use adjustment. The preceding chapters have brought out most of those merits, but they have not revealed all the problems and considerations involved in its successful use. These problems or issues have been grouped under nine headings, roughly in the order of their occurrence, should a program of public land acquisition for land use adjustment be put into effect.

1. What land is to be purchased? Criteria for public purchase of land were essential. They may be based on purely physical qualities such as the Soil Conservation Service land classification system, but they more than likely would include social and economic factors, too, such as income, tenure, social organization, and relationship to other land. Such criteria were worked out by the Land Committee of the National Resources Planning Board for its publication Public Land Acquisition, Part I: Rural Lands,[1] which was based primarily on actual and potential income to the present operators of the land. In general these criteria would make public purchase a last resort, to be used only when less drastic means for accomplishing the same ends cannot be found. Actually the criteria would have to be suited to the purpose and extent of the program, as well as the amount

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1/ National Resources Planning Board, op. cit., p. 7

of appropriations for making the purchases.

A program of public land purchase for the purpose of land use adjustment is not apt to extend beyond poor and worn out land. Hence, it would apply to land abuse or misuse only in the final stages--in other words it is a curative and not a preventive agent.

2. Actual purchases involve difficulties. The problem of valuation of the land in areas where land has been poorly used is not simple. Although much of the land may have been abandoned, its value may suddenly increase when the federal government starts buying. The time, effort, and expense consumed in the legal details of purchase are considerable. The community may object to land being taken off the tax roll, even though the cost of servicing the settlements was more than the revenue they produced. Perhaps the point of this is that any purchase program should be accompanied by a good public relations program.

3. Public acquisition is a depression or emergency measure. The land is sold voluntarily to the government and thus is more apt to be available for purchase in a depression. The opposition to such a program in prosperity would likely be overwhelming. The land involved may be good enough to offer short-run speculative profits, and thus be in considerable demand.

4. After the land is purchased, how much is to be spent on restoration and development? The amount may be out of proportion to the value of the land if consideration is given to the welfare of operators, both those removed and those remaining. As was the case in the 1930's much of the expenditures for development and restoration could likely be charged to relief and resettlement, not just to improvement of the land.

5. What size and type of operating unit is to be established? The answer to that question will determine how many operators are to be removed, what kind of tenure is to be established, and what use is to be made of the land. The government, in the Spring Creek, Wyoming, district attempted to block the units so that a minimum of 125 head of cattle could be kept on each unit.[2] In a few cases operators shared a pasture. In the Perkins-Corson Project, South Dakota, several community pastures were established, so that the number of animal units was determined primarily by the commensurate property of the operator. As a result, the average has been considerably below 125 head. A question might be raised whether this policy has resulted in some operations too small to be efficient units. In order to prevent operators from becoming too large, a maximum of 300 head of cattle per operator was established for the District.

6. What is to be charged for the use of the purchased lands? This opens up a contoversial subject which cannot be treated here. While these L. U. lands were under the Soil Conservation Service, they apparently adopted a grazing fee which resembled the charge by the Forest Service, the agency now supervising the projects. This fee is based on the price of livestock and roughly upon the capacity of the range.

7. Is the land to be kept or resold? When the land use adjustment purchases were made in the 1930's, it was generally assumed that the lands were to be permanent additions to our public lands. No provision has been made for their return to private ownership, except by

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2/ Spurlock and Lingo, op. cit.

trade. To accomplish the purpose of permanent land use adjustment, the land must be either kept in public ownership or resold with restrictions on use. Other programs could be relied upon for control of use, particularly a rural zoning ordinance, or a soil conservation district land use ordinance. Both of these programs are instituted on the local level, while the purchases have all been made on the federal level. An exception to this is the purchases made by cooperative grazing associations.

8. The charge of favoritism and monopoly should be met. Removal of some of the farmers and turning all the public land over to the remaining operators through a grazing association, gives the appearance of fostering special interests. Grazing associations can meet this criticism partly by emphasizing fairness in issuance of preferences and grazing permits.

The distinction between legitimate control and management of grazing land, and unethical "combination in restraint of grazing" is a difficult one to define. However, it should not be difficult for grazing associations to establish the propriety of their activities with a little public relations program. The other issue, favoritism, was overshadowed at the time of the purchases by the destitute condition of the areas where the purchases were made. Perhaps the government should have sold permanent grazing rights on this land to the adjacent and remaining operators, although there are objections to this practice, too.

9. A land use adjustment purchase program is necessarily affected by political considerations. It constitutes direct governmental

intervention of a nature not favored by many conservatives. As an emergency relief measure in the drouth and depression of the 1930's it received enough support to become a temporary part of our land policy, but the appropriations ceased when the need for relief ceased.

Charles M. Hardin indicated that the Soil Conservation Service was well aware of the political implications of the purchase programs. He wrote,[3] "This discovery (return to Conservatism) was paralleled by an apparent desire to slough off, or at least to depreciate in importance, the land utilization program that smacked of the New Deal approach."

Because of these political considerations, therefore, it is unlikely that another program of land use adjustment purchases will be started; unless, of course, the Great Plains should experience another serious drouth or depression. It is hoped, naturally, that this latter will not occur.

Conclusions

Although public acquisition of land for land use adjustment may have little chance for immediate readoption as part of our federal land policy, it nevertheless merits retention as an idea for future application. It is hoped that land ownership and use never again reach the stage of hopeless confusion which seemed to characterize many areas during the drouth and depression of the 1930's. Nevertheless, the idea of public acquisition of land as a means of land use adjustment has recently been considered for the drouth areas of Colorado and the Southwest.

3/ Hardin, op. cit., p. 92.

In some areas the situation during the 1930's was such that a means less drastic than direct government purchase of land would not have been sufficient. Prosperity and high rainfall will temporarily solve any land use problem in the Great Plains, but there is never any assurance that these elements are "just around the corner" in the arid West. Waiting has too often proved futile.

The West is still young, but under the hardships of drouth and depression it has matured rapidly. It is possible that the land use situation will never again deteriorate to the extent it did in the past. Farmers, ranchers, and public officials have all learned some valuable lessons. The farming carried on in the Great Plains is now on a larger scale, and is employing improved techniques. The farmers are more frequently operating from stable communities rather than settling on isolated tracts of land. Drouth will not cause the great disruptions of communities that it formerly caused--at least it is hoped that this is true.

The idea of public land purchase could be carried much farther than it was in the 1930's. Conceivably it could be used as a continuous policy, by purchasing from the counties all tax deed rural land, and all land foreclosed by public credit agencies, for the purpose of influencing tenure, size of farms and supply of operators. As the land is acquired it could be leased or sold to the operator establishing the best claim on the basis of his control of adjacent land and size of his operations. If necessary, restrictions could be placed on use and future disposition of these lands.

The possible application of some of the techniques developed in our experience with the land use projects to the land problems of

other countries should not be overlooked. There may, in fact, be more opportunity and justification for their use in some foreign countries than in the United States. The purchase of land and resale to the peasants for the purpose of land reform has occurred in several countries. In areas where it is desirable to remove surplus population and settle them elsewhere, a program to purchase the small tracts and use them in a way to influence the tenure and land use of the remaining units, might be possible. Public acquisition of land and group tenure arrangements might facilitate the development of water resources in arid regions. It must be remembered, however, just as social and political considerations often determine what program is best in the United States, so the same considerations must be made in planning a program for other countries.

In conclusion the author wishes to reemphasize the need for a complete study and evaluation of the land use purchase program in order that its lessons can be applied to other areas and future developments. It is hoped that this study will help to clarify the issues and provide some useful working hypotheses for the needed study.

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